PROGRAMS OF SOCIO-ECONOMIC IMPACT MANAGEMENT:  
THE NORMAN WELLS PROJECT

by

MURIEL A. KERR  
B.R.E., University of British Columbia, 1973

A THESIS SUBMITTED IN PARTIAL FULFILLMENT  
OF THE REQUIREMENTS FOR THE DEGREE OF  
MASTER OF ARTS

in  

THE FACULTY OF GRADUATE STUDIES  
(School of Community and Regional Planning)

We accept this thesis as conforming  
to the required standard

THE UNIVERSITY OF BRITISH COLUMBIA  

October 1985

© Muriel A. Kerr, 1985
In presenting this thesis in partial fulfilment of the requirements for an advanced
degree at the University of British Columbia, I agree that the Library shall make it
freely available for reference and study. I further agree that permission for extensive
copying of this thesis for scholarly purposes may be granted by the head of my
department or by his or her representatives. It is understood that copying or
publication of this thesis for financial gain shall not be allowed without my written
permission.

Department of GRADUATE STUDIES - COMMUNITY AND REGIONAL PLANNING

The University of British Columbia
1956 Main Mall
Vancouver, Canada
V6T 1Y3

Date October 3, 1985
The purpose of this thesis is to assess the effectiveness of two of the Norman Wells impact funding initiatives as programs of socio-economic management.

Social and economic impacts are often by-products of large scale resource development projects. These socio-economic impacts have become an important component of assessment and review processes during the 1970's and are beginning to attract attention as an issue within impact management. Effective measures of socio-economic impact management are being sought by industry, government and communities who wish to mitigate or avoid negative impacts and/or to enhance potential positive impacts of development.

The Norman Wells Oilfield Expansion and Pipeline Project, approved by the Federal Cabinet on July 30, 1981 was formally assessed as having potentially significant socio-economic impacts. The Federal Government therefore created a number of measures that constituted a socio-economic impact management plan. One of these measures was a benefits package of $21.4 million "to ensure that the training objectives, jobs and business opportunities which we have insisted be part of this project are real and meaningful." The federal government's "coordination approach" to management associated with the Norman Wells Project has been vetted as a model for the management of future development projects.
The subject of this thesis is the implementation of two of the impact funding programs within this benefits package. The thesis purpose is to assess the effectiveness of these impact funding initiatives as programs of socio-economic impact management.

The descriptions of the two initiatives chosen for this analysis indicate that their general purpose was to involve the Dene Nation and the Metis Association of the Northwest Territories in the initiation of programs of community and social development and of planning support and monitoring for the communities of the Mackenzie Valley. These two programs are the subject of some debate between federal government representatives and representatives of the two native organizations involved in the Norman Wells Project. The key parties-at-interest disagree over the effectiveness of the two initiatives as instruments of socio-economic impact management for the Norman Wells Project.

In preparation for the actual analysis of these programs, I first developed a process model for socio-economic impact management. This process model provides the framework within which programs of socio-economic impact management are located. Next, I examined the relationship between the socio-economic issues and anticipated problems identified during the Norman Well's Project review processes and the impact fund initiatives under study. This was achieved through a content analysis of documents produced by the Norman Wells Environmental Assessment and Review Panel (E.A.R.P.) and
the National Energy Board. I then examined in full the implementation of the initiatives. This was accomplished through a review of documentation and interviews with the relevant actors associated with the two study impact funding programs. My assessment of the effectiveness of the two study initiatives as programs of socio-economic management is based on a comparison of the implementation of these programs to a set of criteria that reflect the basic requirements of programs of impact management.

The two study initiatives failed to satisfy all but the program effectiveness criteria that required a relationship with the public review process concerns. The thesis conclusion, therefore, is that as programs of socio-economic impact management for the Norman Wells Project, the two study initiatives have not been effective. I discuss the basis of this conclusion and propose three recommendations toward the planning for future programs of socio-economic impact management.

This thesis contributes to the assessment of the impact management efforts associated with the overall approach to management of the Norman Wells Project. It should be useful for parties involved in the determination of impact management programs in future development projects. This analysis will aid in the planning of effective procedures to reduce negative impacts, thus serving the interests of both those affected directly, and the nation at large.
# TABLE OF CONTENTS

**ABSTRACT**

<table>
<thead>
<tr>
<th>Page-No.</th>
</tr>
</thead>
<tbody>
<tr>
<td>ii</td>
</tr>
</tbody>
</table>

| TABLE OF CONTENTS | v |
| LIST OF TABLES   | viii |
| LIST OF ABBREVIATIONS | ix |

<table>
<thead>
<tr>
<th>CHAPTER</th>
</tr>
</thead>
</table>

## I. A PROCESS MODEL FOR SOCIO-ECONOMIC IMPACT MANAGEMENT

| A. Introduction | 1 |
| B. Thesis Purpose | 7 |
| C. Thesis Method | 8 |
| D. Summary | 11 |

## II. SOCIO-ECONOMIC IMPACT MANAGEMENT: A SUB-PROCESS OF THE DEVELOPMENT PLANNING PROCESS

| A. Introduction | 13 |
| B. Socio-Economic Impact Management Process | 14 |
| 1. Sub-Process of Project Development Process | 14 |
| 2. Components of the Socio-Economic Impact Management Process | 17 |
| Socio-Economic Impact Identification and Assessment | 17 |
| Impact Monitoring | 23 |
| Socio Economic Impact Management Program/Plan | 24 |
| C. Summary | 28 |

## III. THE NORMAN WELLS IMPACT FUNDING INITIATIVES

| A. Introduction | 30 |
| B. Norman Wells Review Process Content Analysis | 30 |
| 1. Environmental Assessment and Review Process | 33 |
| 2. National Energy Board Review | 38 |
| 3. Summary | 40 |
III. THE NORMAN WELLS IMPACT FUNDING INITIATIVES - Continued

C. Documentation of Implementation of Initiatives
   1. Approval
   4. Second Construction Year - Jan 1 - 1984-Dec 31, 1984
   5. Third Construction Year - Jan 1 - 1985-Jun 30, 1985

D. Summary

IV. ANALYSIS OF EFFECTIVENESS OF PROGRAMS OF SOCIO-ECONOMIC IMPACT MANAGEMENT

Criterion I
Criterion II
Criterion III
Criterion IV
Criterion V
Criterion VI
Criterion VII

V. CONCLUSION, DISCUSSION AND RECOMMENDATIONS

A. Conclusion
B. Discussion
   a) Lack of a Clearly Stated Purpose Related to the Management of Socio-Economic Impacts
   b) Perceptual Differences
C. Recommendations
   1. Integrate the Planning for the Socio-Economic Impact Management Process with the Overall Development Project Planning Process
   2. Emphasise all Components of the Socio-Economic Impact Management Process
3. Design Programs of Socio-Economic Impact Management to Achieve the Requirements of an Effective Impact Management Program 126

D. Final Comment 128

LIST OF REFERENCES 129

APPENDICES  A. Content Analysis Quotations 136
             B. D.I.A.N.D. Approval Press Release Excerpt 143
             C. December 7 Position Paper 145
             D. Treasury Board Authorization 153
**LIST OF TABLES**

<table>
<thead>
<tr>
<th>I.</th>
<th>Plan of Documentation of Initiative Implementation Process</th>
<th>10</th>
</tr>
</thead>
<tbody>
<tr>
<td>II.</td>
<td>Summary of Content Analysis of E.A.R.P. Mackenzie Valley Community Meetings</td>
<td>34</td>
</tr>
<tr>
<td>III.</td>
<td>Listing of Critical Events in the Implementation of the Two Study Impact Funding Programs - Norman Wells Project</td>
<td>43</td>
</tr>
</tbody>
</table>
### LIST OF ABBREVIATIONS

<table>
<thead>
<tr>
<th>Abbreviation</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>B.S.E.A.R.P.</td>
<td>Beaufort Sea Environmental Assessment and Review Panel</td>
</tr>
<tr>
<td>CARC</td>
<td>Canadian Arctic Resources Committee</td>
</tr>
<tr>
<td>C.E.I.C.</td>
<td>Canada Employment and Immigration Commission</td>
</tr>
<tr>
<td>CJL</td>
<td>Committee for Justice and Liberty Foundation</td>
</tr>
<tr>
<td>COGLA</td>
<td>Canadian Oil and Gas Lands Administration</td>
</tr>
<tr>
<td>DIAND</td>
<td>Department of Indian Affairs and Northern Development</td>
</tr>
<tr>
<td>EARP</td>
<td>Environmental Assessment and Review Process</td>
</tr>
<tr>
<td>EIA</td>
<td>Environmental Impact Assessment</td>
</tr>
<tr>
<td>FEARO</td>
<td>Federal Environmental Assessment and Review Office</td>
</tr>
<tr>
<td>GNWT</td>
<td>Government of the Northwest Territories</td>
</tr>
<tr>
<td>NEB</td>
<td>National Energy Board</td>
</tr>
<tr>
<td>NWPCC</td>
<td>Norman Wells Project Coordinating Committee</td>
</tr>
<tr>
<td>NWPCO</td>
<td>Norman Wells Project Coordination Office</td>
</tr>
<tr>
<td>NWT</td>
<td>Northwest Territories</td>
</tr>
<tr>
<td>SIA</td>
<td>Socio-Economic Impact Assessment</td>
</tr>
</tbody>
</table>
CHAPTER I

PROGRAMS OF SOCIO-ECONOMIC IMPACT MANAGEMENT: THE NORMAN WELLS PROJECT.

A. INTRODUCTION

The Norman Wells Oilfield Expansion and Pipeline Project, located in the Mackenzie Valley of the Northwest Territories was approved on July 30, 1981 by the Federal Cabinet, subject to a two year delay to enable sound project planning. Construction began in January, 1983 and the pipeline shipped its first oil in May, 1985. A major component of the federal project management strategy was the special funding initiatives or benefits package announced at the time of the project approval by the Minister of the Department of Indian Affairs and Northern Development.

The purpose of this thesis is to assess the effectiveness of two of the Norman Wells Project impact funding initiatives as programs of socio-economic impact management.

"Large scale industrial and resource development projects are affecting many areas..... Some of the types of projects having substantial effects on nearby communities include energy resource development in many of the western states and Canadian provinces.....offshore petroleum development in the North Sea and Arctic regions of Canada and Alaska.... These developments present both opportunities and problems for the areas where they are located.

The economic, demographic, public service, fiscal, and social effects (socio-economic impacts) of large-scale development projects have been extensively examined by both researchers, and decision-makers in recent years. A growing number of these analyses and case studies provide insights concerning the effects
of such activities on communities located near project sites. A common theme that emerges from such analyses is that, in the absence of detailed local planning and access to financial and technical assistance from external sources... large projects will frequently create substantial problems for their host communities.... Thus, the need is readily apparent to examine those measures which can be employed to alter the effects of project development on nearby communities, reducing those effects which are generally viewed as undesirable and enhancing those changes which are deemed beneficial." (Halstead et al. 1984:xi)

Northern Canada, and particularly the Mackenzie Valley, has been the site of significant industrial development interest over the last fifteen years. During this time public concern has increased over both environmental and socio-economic impacts of development projects. This has resulted in the allocation of time and funds to processes of assessment and review. In the case of the Mackenzie Valley, the Berger Inquiry (1973/4-1977), was initially responsible for assessing potential environmental and socio-economic impacts of the proposed Mackenzie Valley Pipeline Project. The Federal Environmental Assessment and Review Process, instituted in 1973-74 has been used to assess both environmental and socio-economic impacts of a number of northern projects. In addition to identifying and assessing the potential impacts of a project, an approving government body must set terms and conditions within which the project will be implemented. These terms and conditions become the major elements of the project management process. Some of these elements determine the management of environmental and socio-economic impacts.

A recent example of such a large-scale resource development project is the Norman Wells Oilfield Expansion and Pipeline Project. In spite of a recommendation of the Mackenzie Valley Pipeline Inquiry (1977) that no
pipeline be built in the Valley for ten years, this project was approved by
the Federal Cabinet on July 30, 1981. The specific assessment and review
stage for this project contained three public review processes: The Federal
Environmental Assessment and Review Process, the National Energy Board
hearings, and the Northwest Territories Water Board hearings. Considerable
concern over various issues was expressed during each of these reviews. The
Native Associations and the Mackenzie Valley community residents were anxious
about the environmental impacts expected to affect the land and wildlife,
about the potential influx of southerners looking for work, about the low
probability that project benefits would accrue to northern peoples and, above
all about the approval of this project without the prior settlement of
aboriginal rights and native land claims. The Government of the Northwest
Territories (G.N.W.T.) expressed its concern about the unequal distribution
of the financial benefits of the project. Its members felt that while the
social costs of the project would be borne by the Government of the Northwest
Territories administration, the benefits would flow to Ottawa. Other
intervenors added their support to these themes or had specific
environmental, technical or socio-economic concerns of their own. The
Environmental Assessment and Review Process Reasons for Decision contained
recommendations about the socio-economic impacts identified during the review.

The Cabinet approval for the Norman Wells Project was conditional on a
two year delay before the start up of oilfield expansion and a two and a half
year delay before the start up of pipeline construction. In the press
release announcing the approval, the Minister of the Department of Indian Affairs and Northern Development (D.I.A.N.D.), outlined the reasons for the delays in the project start up:

"...to allow for effective and meaningful planning so that special measures and benefit packages are in effect during the construction phase of the $1 billion project."

"...to work toward meeting the concerns of the Dene and Metis regarding adequate time for negotiating their land claim."

"...to ensure that the training objectives, job and business opportunities which we have insisted be part of the project are real and meaningful." (D.I.A.N.D. 1981:4)

Also as part of the approval press release, the Minister announced a $21.4 million package of special impact funding to be administered by the Department of Indian Affairs.

"...the enhanced program package will include on-the-job and institutional training, strengthened services at the community level to cope with possible disruptions and changes, funding for the Government of the Northwest Territories to finance additional public services that will be required, and contributions to the Dene and Metis to permit them to be involved in planning and programming activities in conjunction with all levels of government." (D.I.A.N.D. 1981:4)

This funding package was felt to be necessary because, in Mr. Munro's words, "without front-end support and time for planning, opportunities for native people do not always equate to meaningful involvement, jobs and beneficial experiences." (D.I.A.N.D. 1981:3)
According to a recent Department of Indian Affairs document:

"This funding package was intended to: respond to the needs of northern communities and native people in relation to the project; mitigate impacts and capture economic opportunities; promote project participation; establish monitoring; and maintain levels of government services." (D.I.A.N.D. 1984:17)

The impact funding package is one measure within a number of strategies of socio-economic impact management that became the responsibility of the Norman Wells Project Co-ordinating Office - the D.I.A.N.D. agency with overall co-ordination responsibility for the Norman Wells Project.

Considerable attention has focused on the Norman Wells Project as it is seen by all actors as a test case for the management of future Northern developments. The Norman Wells Project Coordination Office has developed a coordination approach to management of the Project. The Office has no legislative mandate or regulatory authority. This approach has been watched carefully by participants and onlookers and has been the subject of some debate in at least two arenas - The Beaufort Sea Environmental Assessment and Review Process (December 1983) and the Banff Seminar on Project Assessment: Project Audit, (October 1984). Excerpts from the papers given by D.I.A.N.D. and the Dene Nation at the Banff Seminar illustrate differences in opinion concerning the effectiveness of the co-ordination process:

from the D.I.A.N.D. paper -

"The hard work of government departments and agencies has resulted in the successful co-ordination of the project based on co-operation...." (D.I.A.N.D. 1984:34)
from the Dene Nation paper -

"The D.I.A.N.D. case study, by glossing over problems and difficulties with the project, implies that the federal government's mind is made up already....A thorough assessment of the Norman Wells Project must look at both the problems and the processes before recommendations can be made on future projects." (Dene Nation Monitoring Program 1984:16)

One of the major sources of disappointment and frustration for the Dene Nation and the Metis Association has been the administration and the implementation of the impact funding package. Of particular concern are the two program initiatives that were designed to enable native involvement in programs to plan for, and respond to, socio-economic impacts of the Norman Wells Project. A Dene Nation draft press release of May 22, 1984 indicates the Nation President's opinion of the funding programs:

"....This was political money from the start, and we can only interpret the needless bureaucratic hassles as disguised political delay tactics. They are successfully hampering our efforts to be informed and involved in this pipeline, which we only accepted as a test case." (Dene Nation 1984b)

The Norman Wells Federal Project Co-ordinator stated in a phone interview on August 12, 1985, that he believed the impact funding programs to be "a most effective tool," that "allowed the people themselves to become involved." (Mar 1986b).
B. THESIS PURPOSE

The specific focus of this thesis is on the implementation of the two federal program initiatives of the impact funding package as described in the Norman Wells Project approval announcement:

"Enhanced existing government programs to address the community and social development needs of communities along the pipeline route so that they can respond to the project as the needs are identified. Native people will be directly involved in the design of these programs and in aspects of program delivery as they relate specifically to native communities. Projected government funding over five years; $4.25 million.

Planning support to northern natives to enable them to take an active role in the planning and monitoring of the project and in the design and implementation of programs initiated in response to the project. Projected funding over five years: $1.25 million." (D.I.A.N.D. 1981:i)

As noted at the outset, the purpose of the thesis is to assess the effectiveness of these impact funding initiatives as programs of socio-economic impact management for the Norman Wells Project. The administration and implementation processes of the two funding programs will be assessed against criteria of effective impact management programs. It is the ability of these programs to be used as effective strategies for impact management for the Norman Wells Project that is to be assessed, not the actual program activity outcomes.
The major questions to be addressed in the thesis are:

1. Does the intent of each program initiative (as described in the approval announcement press release) reflect socio-economic impact concerns expressed during the Norman Wells Project review processes.

2. What were the administrative and implementation process events associated with the initiative programs?

3. How effective were the initiatives as programs of socio-economic impact management for the Norman Wells Project?

C. THESIS-METHOD

The methods employed to answer these questions and, therefore, to achieve the thesis purpose, included:

1. The development of a process model of socio-economic impact management in order to provide a contextual framework for the discussion of programs of socio-economic impact management. The discussion of the impact management program as a component of the socio-economic impact management process provides the criteria of program effectiveness used in the analysis of the two study initiatives.

2. The documentation of the "history" of the two impact funding programs. This documentation includes a review of the assessment and review stage documents, to isolate and document the concerns that relate to the selected initiatives.
The material used for the content analysis was taken from the Norman Wells Environmental Assessment and Review Process meeting transcripts and report of the Panel and from the National Energy Board Reasons for Decision document based on the hearings for the application for the Norman Wells pipeline. The contents were analysed according to their relationship with the issues contained in the approval press release texts of the two study initiatives. The documentation of the E.A.R.P. material indicates issues, their frequency of expression, and the community in which the concern was expressed. The E.A.R.P. Report of the Environmental Assessment Panel and the N.E.B Reasons for Decision do not lend themselves to the form of analysis used with the transcripts of the E.A.R.P. community meetings, but relevant issues are isolated from the texts and the origins of the concerns are identified.

The documentation also includes a description of the implementation process associated with the two funding initiatives.

This description is presented chronologically and is divided into three sections within each time period. (See Table I)
Table I

Plan of Documentation of Initiative Implementation Process

<table>
<thead>
<tr>
<th>Step Description</th>
<th>Time Frame</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Approval Announcement Period</td>
<td>July 30, 1981</td>
</tr>
<tr>
<td>2. Pre-Construction Start-Up</td>
<td>August 1, 1981 - December 31, 1982</td>
</tr>
<tr>
<td>3. First Construction Year</td>
<td>January 1, 1983 - December 31, 1983</td>
</tr>
<tr>
<td>4. Second Construction Year</td>
<td>January 1, 1984 - December 31, 1984</td>
</tr>
<tr>
<td>5. Third Construction Year</td>
<td>January 1, 1985 - June 30, 1985</td>
</tr>
</tbody>
</table>

The three sections cover general Norman Wells Project events, specific events associated with the administration and implementation of the two study initiatives and the perceptions and/or observations of relevant actors regarding these events.

Literature for this documentation was received from: the U.B.C. Library, the Federal Assessment and Review Office (Vancouver), the Norman Wells Project Coordination Office (Yellowknife), the Dene Nation Office (Yellowknife), the Metis Association Office (Yellowknife), the Prince of Wales Northern Heritage Centre (Yellowknife), and the Norman Wells Project and Coordination Support Group, D.I.A.N.D. (Ottawa).
A number of interviews were conducted in order to complete this documentation. Personal interviews with relevant actors at the Norman Wells Project Coordination Office, the Dene Nation Office and the Territorial Government offices were carried out in Yellowknife during the week of February 4-8, 1985. Follow-up and final interviews were conducted by telephone in July and August 1985. In addition to follow-up interviews with previous interviewees, contact was made with the Metis Association and with the Norman Wells Project and Coordination Support Group staff in Ottawa during these latter interviews.

3. An analysis of the two study initiatives to assess their effectiveness as programs of socio-economic impact management. The analysis was conducted using the criteria developed in the second chapter.

4. A conclusion, discussion and recommendations for the planning of future socio-economic impact management programs.

D. SUMMARY

"The Norman Wells project is the first major oil and gas project that has been carried out in the Northwest Territories and, as such, the project component developed by DIAND to respond to the project is the first initiative of its kind in the federal government. There is considerable interest in the Norman Wells oilfield development and in the accompanying DIAND program because they are expected to be forerunners of future activities in the North. For this reason, the experience gained and lessons learned will have relevance beyond the immediate program." (InterGroup Consulting Economists Ltd., 1983:7)
The contents of this thesis can contribute to the overall assessment of the impact management efforts associated with the Norman Wells Project. The contents should be useful for parties involved in determining impact management programs for future development projects. The hope is that the information will aid in the planning of processes that will be effective in reducing potential negative impacts, thus serving the interests of those to be affected directly, as well as the interests of the larger nation.
A-PROCESS-MODEL FOR-SOCIO-ECONOMIC IMPACT MANAGEMENT

A. INTRODUCTION

The purpose of this chapter is to develop a process model for socio-economic impact management. The model is to provide a contextual framework for a discussion of socio-economic impact management programs or strategies out of which will be devised a set of criteria for program effectiveness. This set of criteria will be used in the analysis of the two Norman Wells Project initiatives under study.

The process model components will be discussed in primarily prescriptive terms. This is done deliberately while recognizing that much of what is prescribed is to some degree already in practice. The components are not, however, generally viewed as elements within a continuous process. I believe that such a view is important in encouraging all actors associated with development projects to assume appropriate responsibility for the management of socio-economic impacts. Viewing socio-economic impact management as a continuous process also highlights the need for a greater emphasis on the management of impacts. To date, a strong emphasis has been placed on the identification and assessment of impacts, significantly less attention has been placed on the management of these impacts. The literature reflects this difference in emphasis:
"Despite a growing consensus that socio-economic impacts are important and must be addressed, the processes for effectively coping with such project effects have received very limited attention in the literature to date....the mechanisms which can be employed to influence socio-economic effects of a project on nearby communities have received only a cursory treatment. Those reviews of "impact mitigation" which have appeared, typically discuss only a few selected types of impact measures...or they review only a few selected cases where developers or communities have taken an active role in influencing projects outcomes...Such discussions generally fail to take account of the cumulative and interactive effects of multiple impact management measures and provide little basis for evaluating the strengths and limitations of alternative approaches of the conditions under which each may be most effective." (Leistritz et al. 1983:3)

This chapter will, therefore, prescribe a process model for socio-economic impact management, will describe the components of the model and, as part of the discussion of strategies within the impact management program, will develop a set of criteria establishing the basic requirements of an effective socio-economic impact management program. Portions of this chapter show a heavy reliance on a few sources. This is a reflection of the truth of the comment quoted above. Socio-economic impact management has only recently begun to receive the attention of researchers.

B. SOCIO-ECONOMIC-IMPACT MANAGEMENT-PROCESS

1. Sub-Process-of-Project-Development-Process

The project development process is composed of a temporal series of discrete but connecting phases: initiation; assessment and review; approval; implementation and ongoing operation. In order to ensure that the activities proposed in each of these phases is carried out effectively and efficiently,
methods of implementation should be designed through systematic planning exercises. These exercises should form part of a comprehensive development project planning process.

The comprehensive development project planning process should take into account all sub-processes associated with the project's implementation. One such sub-process is the socio-economic impact management process. The components of this process have the potential to contribute significant information to the overall development project implementation and should be designed in the initial stages of the project planning process. All the actors directly concerned with socio-economic impact management - the proponents, government, impacted community representatives and/or organizations or associations - should be involved in this process in a way that gives non-token representation to all parties and provides the means for equitable negotiation and cooperative development of programs and strategies.

A closer integration between aspects of socio-economic impact management process components and/or a closer connection between impact management components and the larger development project planning process are beginning to be suggested as future possibilities. Primarily out of research concerning existing practices of impact assessment and resource management, concepts are being proposed that show a growing interest in processes that integrate impact assessment and planning for development. (Boothroyd and Rees 1984. Holling et al. 1978; IIASA 1979; Rees 1983). Boothroyd and Rees (1984) believe that changes are already occurring in environmental impact assessment:
...a new paradigm for EIA... emerging from current practice -- particularly in Canada. The new paradigm sees EIA as a major component of the development planning process rather than as a pure research activity. Development planning is seen as essentially an ongoing political process in the broadest sense of the term, a process by which a society and its communities make choices about resource usage and resource management institutions." (Boothroyd and Rees, 1984:7).

The concept of the development of a stronger link between the assessment and the management of impacts is beginning to gain advocates. This support comes partially from the recognition that the identification and prediction of environmental and socio-economic impacts associated with project development cannot be conclusive and is often inadequate no matter how much time, money and effort is spent in the attempt (Barnthouse et al. 1984; Beanlands and Duinker 1983; Holling et al. 1978; Paine 1981), partially because of a concern regarding the lack of integration between the information produced during the assessment process and the management of impacts, i.e. the one shot nature of the assessment process (Boothroyd and Rees 1984; Holling et al. 1978), and also because of a concern about the lack of equal attention to the goals of all parties-at-interest (Boothroyd and Rees 1984). New approaches are emerging that more closely integrate impact assessment and management processes. C.S. Holling et al.'s adaptive approach to managing environmental impacts and problems is one example:

"In essence, this approach provides a program of environmental assessment and management that responds to its effects as it proceeds. Knowledge gained in efforts to assess, regulate, manage, and monitor man's environmental impact is used to improve these efforts. This sets the stage for an ongoing, evolving program rather than a one-shot attack, and it also makes the most of programs that cause unforeseen problems." (IIASA 1979:2).
The process model to be described in the following pages builds on some of the ideas initiated above. The model is seen as an integral process within the overall project development process and the components within the model form one continuous process.

2. **Components of the Socio-Economic Impact Management Process**

The major components of the socio-economic impact management process are: a) impact identification and assessment; b) concurrent impact monitoring; and c) the impact management program or plan.

**Socio-Economic Impact Identification and Assessment**

In order to plan for the management of impacts, some form of identification and assessment process must be conducted. Impact assessment has numerous purposes, three examples are provided below:

"The purpose of the impact assessment system is to forecast project-induced change in local economic, demographic, public service, fiscal and social characteristics and thereby to provide a basis for anticipating areas in which problems are likely to arise and where impact management efforts will be needed. The system can also be useful in identifying opportunities for enhancement of project-related benefits. The impact assessment system thus plays a primary role in guiding impact management efforts." (Leistritz et al. 1982:16)

"Assuming that the objective of the S.I.A. process is to improve the management of change, then in each phase it is the outcomes that are important.....project alteration and other mitigative measures will be determined based on the information required. There is, then a necessary link between the data collection component and the decision/action component." (Singer 1984:3)
The basic objective of impact assessment is to identify the positive and negative effects of project development for purposes of mitigation and sound management." (Rees, 1984:15)

Impact assessment is an important and necessary component of the impact management process. The following discussion of the Federal Environmental Assessment and Review Process does point out that there are problems with such processes and some needs for improvement.

In the Canadian federal context, the major process used to assess socio-economic impacts of major developments like the Norman Wells Project is the Federal Environmental Assessment and Review Process (E.A.R.P.). This process involves the preparation of an Environmental Impact Statement. This Statement is prepared by the proponent of the project and often includes a section on anticipated socio-economic impacts. In addition to the preparation of the Statement the E.A.R.P. includes a formal public review conducted by a Panel. Citizens, interest groups and technical experts may make presentations regarding the aspects of the proposed project that are of concern to them and/or to the Panel. A report is prepared by the Panel that summarizes the review process and contains recommendations in accordance with the mandate given to the Panel by the Minister of the Environment. The purpose of all of the information produced and collected within the assessment process is to aid in the decision-making processes necessary for project approval or rejection. The information should also be used in the design of impact management functions if the project is approved. (F.E.A.R.O. 1979).
Experience with the E.A.R.P. over its twelve year existence has allowed for some assessment of its effectiveness. (C.E.A.C. 1979; Rees 1980 a,b; Rees 1983). In his brief to the Beaufort Sea Environmental Assessment Panel, W.E. Rees identifies some of his concerns regarding the E.A.R. Process: (Rees, 1983)

a) The self-assessment role of the proponents, the policing role of the government intervenors and the reactive role of the impact communities produces a counterproductive and predictable process. ("...a protracted game of adversarial one-upmanship." (Rees, 1983:4))

b) the faulty foundation assumption that, given sufficient time, money and effort, all socio-economic impacts can be predicted;

c) the often sweeping guidelines given by the E.A.R.P. Panel to the proponent for the preparation of the Impact Statement;

d) the one-shot nature of the E.A.R. Process which does not allow for the assessment of ongoing or continuous development, and;

e) the predisposition of the government to favour development.

The relevance of the information produced by the existing E.A.R.P. process is often of limited usefulness to impact management as a result of the restrictive and counterproductive roles assigned to the relevant actors in the E.A.R.P. Process. These roles and the attitudes fostered by these roles affect the nature and quality of the information contained in the Impact Statement and in the briefs and presentations made to the Panel within the review process. (Rees, 1983). It is argued here that the concentration on the E.A.R. Process, i.e. on the assessment of impacts, as an end in itself rather than as part of an overall impact management process where assessment is preliminary to, and useful for, the design of a program to manage impacts resulting from project development, is a major weakness of the E.A.R. Process.
Whereas critics of the E.A.R.P. are often concerned that the process better serve the public interest, proponents often view the assessment process as a means to achieving corporate ends, particularly the approval of the project.

The assessment requirements are viewed as a hurdle to be jumped, a single step in the overall development process. In a paper that advocates the preparation of a strategy for seeking approval, W. E. Stanley and J. E. L. Farrow state that:

"The objective should be to obtain the approvals quickly and effectively and within the context of corporate goals. In order to achieve this a strategy is required.

A strategy for obtaining approvals under the provisions of environmental impact legislation is advisable for a number of reasons:

. It clarifies corporate objectives
. It improves the understanding of the situation
. It identifies and coordinates actions toward the corporate goal
. It provides a framework for anticipating and responding to problems
. It provides a tool with which the manager can work positively toward achieving required results." (Stanley and Farrow, 1979:1)

This strategy is described as "a tool for navigating through the hazardous process of socio-economic impact studies for.... approval." (Stanley and Farrow, 1979:1). The emphasis is on the perception of the assessment as a prerequisite to approval, not necessarily as an integral part of the management of development outcomes. The assessment process is often
seen as external to the development process. The attitude toward the process can be from benign tolerance to negative compliance. The perception frames the limits or nature of the information, the attitude will affect the content of the impact statement information and the proponent participation in the review process.

The perception and attitudes of the intervenors and impactees are diverse and can vary from project to project. The information produced by these groups could be useful to the impact management program design, both in terms of the identification of specific impacts to be managed, and in terms of the processes that should be considered in implementing the program. Intervenor and impactee information is contained in written and verbal submissions and in records of the technical and community meetings.

Where the special interest intervenor or impactee is motivated by a desire to stop, delay or modify the project, comment on specific impacts may be limited, as the perception is focussed on the project not going ahead. Where the attitude toward the review process is negative, impact information may be obscured by critiques intended to change the review process itself. Where the review process is perceived as the only forum for discussing issues of concern, issues other than those centering on the development project may be the focus of the information produced. Where intervenors perceive the review process to be token, the information contributed may also be token. In spite of these drawbacks, it is through the intervenors' and impactees' submissions that critical issues are raised and/or necessary information is found to be lacking. It is important, therefore, to create an environment in which intervenors are encouraged to produce a better quality of information.
Government actors in the assessment and review process have different roles depending on the project. There may be several government departments involved, some such as the initiator, with a departmental bias in favour of the project, others with the mandate to regulate and/or to protect areas or materials which the project is likely to impact. Where a government agency is the proponent, it is possible that some of the perceptions and attitudes held about the review process may be similar to those of the proponents described above. Where a government department participates as an intervenor in the assessment process, the nature and quality of the information contributed will depend on the degree of commitment to the process, the degree of faith in the effectiveness of the review process and its effect on the proposed project, and the degree to which the agency or department is to be affected as a result of the project.

Government agencies have the potential to contribute most useful information for impact management as they often employ the personnel responsible for dealing with social intervention and social programs in impact areas. These agencies, for whatever reasons, do not always participate fully in the review process or participate only to critique the proponent's impact statement. While the critique is useful and often leads to the requisition of additional information to the statement, more useful information for the impact management process could be contributed by these intervenors if the process provided the encouragement and/or environment for them to do so.
Suggestions have been made for reforming the E.A.R.P. (Boothroyd and Rees, 1984; Rees, 1983). One such suggestion is for a restructuring of the assessment components to take advantage of the natural self-interests of the relevant actors. This restructuring might result in the proponent being responsible for the preparation of an environmentally and socially sound project design proposal. The government agencies might be responsible for analyzing the impact of the project on mandated policy and program areas while the individuals, interest groups and communities might be responsible for preparing a socio-economic impact assessment, including impact management proposals and impact monitoring programs. In addition to such specific suggested changes, Rees (1983) envisions a long-term goal for impact assessment:

"Ultimately, of course, if progressive transformation of the field proceeds to its logical conclusion, EIA as a discrete set of project or development-related activities should disappear altogether. Its various objectives will have been subsumed by a more progressive and humane development planning process." (Rees, 1983:14)

As stated previously the impact assessment component of the socio-economic impact management process has received considerable attention for some years. The components now to be discussed are those in need of greater attention.

Impact Monitoring

The monitoring of impacts can be viewed as a set of support inputs to the entire socio-economic impact management process. Seen in this light,
monitoring strategies are critical to the evaluation of the assessment process, to the design and implementation of the impact management program, to the identification of unanticipated impacts, to the evaluation of the current and ongoing impact management programs and to the prediction of future impacts. Certain classes of monitoring are appropriate to the socio-economic impact management process while others are more closely associated with environmental impact management and/or to the overall development process. In *Cumulative Socio-economic Monitoring: Issues and Indicators--for--Canada's--Beaufort--Region*, Michael Carley outlines nine categories of monitoring. The three categories that would most likely be considered within the socio-economic impact management process, or to which the impact management process might contribute, are listed below:

- **7) monitoring of socio-economic agreements or contracts** - the monitoring of the voluntary or contractual agreements between industry and government focusing on industry's performance with respect to industrial employment and related benefits;

- **8) monitoring for project impact management** - the tracking of anticipated environmental, social and economic impacts of a particular project specifically to provide data for mitigative and managerial purposes;

- **9) cumulative impact monitoring** - monitoring with a focus on critical issues in a region that is undergoing rapid development or change, whether related to or independent of a particular project." (Rees 1984:15)

Socio-Economic Impact Management Program/Plan

It is the purpose of the impact management program to design and implement strategies to reduce the effects of negative impacts and/or to enhance the potential benefits or opportunities associated with the project.
It is also the purpose of the impact management program to provide strategies that have the capability to respond to impacts that may not have been identified in the assessment phase but do result from the development project.

A few examples of definitions that refer to programs of socio-economic impact management are quoted below:

"Impact management, only recently recognized as part of the assessment process, includes public and private actions to ameliorate impacts. The use of available impact management strategies can affect the outcome or change in the social and economic environment in a community." (Greene and Curry 1977:1)

"Management: This involves government or proponent response to impacts by taking the remedial action to avoid or mitigate adverse impacts or to maximize beneficial impacts." (Walkey 1984:6)

"...a comprehensive approach encompassing measures which enhance the project's local benefits and approaches which provide for various forms of compensation (e.g. monetary, in-kind) to local interests, as well as actions to reduce or eliminate negative effects...." (Leistritz et al. 1982:12)

Objectives of the Socio-Economic Impact Management Program

The following quotation presents a framework of elements required for an integrated approach in designing an impact management program and the major objectives of such a program:

"The objectives of an impact management program are to anticipate and alleviate those project effects which are generally perceived as undesirable and to enhance effects which are deemed beneficial. In designing an impact management program, the use of a systems perspective stresses the need for an integrated approach. There are four elements to such an approach. These are:
(1) the need for a comprehensive approach;
(2) the need to integrate the impact management activities with the overall project schedule;
(3) the need to appropriately involve all key interests and groups, and
(4) the need to deal realistically with the uncertainties inherent in the development process and the impacts thereof." (Leistritz et al. 1982:12)

Once objectives have been established for the socio-economic impact management plan, the measures or strategies to be employed should be determined. The options for consideration are often described as measures of compensation and mitigation. Leistritz et al. use a four category typology which broadens this field of options. The four categories are:

"(1) measures to minimize demands on local systems (economic, governmental and social);
(2) measures to enhance the capacity of local systems to cope with change;
(3) measures to compensate individuals or groups; and
(4) measures to provide incentives to local interests." (Leistritz et al 1982:19)

The federal funding initiatives under study in this thesis are strategies within the overall socio-economic impact management plan for the Norman Wells Project. They would be considered as measures of the second category above, concerned primarily with the design and delivery of programs to enhance social/community development and planning and monitoring within the Mackenzie Valley communities. (It should be noted that throughout the remainder of the thesis the two impact funding initiatives will be referred to as either
"initiatives" or "programs". In this connection, however, "program" is meant to equate with "strategy" or "measure").

The choice of strategy or combination of strategies to be used to achieve the objectives of the socio-economic impact management plan will depend on the action involved, the degree of responsibility designated and assumed by various actors, the resources available and the projected magnitude and severity of the impacts.

Once the specific socio-economic impact management program or strategy is chosen, however, it must be administered and implemented so that basic effectiveness requirements are met. The following list of criteria outlines the requirements of an effective program/strategy of socio-economic impact management.

The program/strategy will:

I. reflect the socio-economic impact concerns expressed by participants in the review processes;

II. be operational prior to the commencement of the development project construction in order to deal with impacts as they occur;

III. be planned in sufficient detail so that:
   a) measurable goals or targets are defined against which the progress of the program outlines can be assessed;
   b) regular reviews of program outcomes, according to the defined goals or targets, are conducted throughout the implementation period;
   c) revisions to the defined targets or goals may easily be made based on the reviews.
IV. unambiguously identify all the major parties-at-interest and their specific administration and implementation responsibilities in relation to the programs;

V. be stated by a majority of the parties-at-interest to be an effective process (measured in their own terms);

VI. be administered using processes that facilitate rapid and purposive action toward the achievement of program goals;

VII. define planning processes to meaningfully involve implementation agents;

VIII. designate the most appropriate agencies with the greatest potential for effectively implementing the program goals; and

IX. be provided with funds sufficient to implement the program goals and targets to the desired level of achievement.

These criteria were developed from material contained in some of the literature used in writing this chapter. Leistritz et al.'s *Socio-Economic Impact Management* was particularly helpful. My own experience in program evaluation also contributed to the development of the list. The two Norman Wells impact funding programs will be assessed against the first seven of these criteria. An assessment against criterion VIII would require a much longer, indepth and on-site study of the Yellowknife agency offices and the Mackenzie Valley communities than was appropriate for this thesis. A criterion IX assessment, in the case of the Norman Wells impact funding package, would require research time sufficient for a separate thesis.

C. SUMMARY

In summary, the socio-economic impact management process, as discussed in this chapter, should be an integral part of the project development process. Planning for the impact management process should take place as part of the
overall planning process for project development. The socio-economic impact management process is described as a continuous process and is made up of three major components - assessment, monitoring activities and an impact management program. The functions within these component parts should be integrated and should overlap to whatever degree is necessary to effectively achieve the objectives of the overall impact management process. This discussion provides the contextual framework for the analysis contained in the remainder of the thesis. It also provides the specific criteria against which the study initiatives are measured.
CHAPTER III

THE NORMAN WELLS IMPACT FUNDING INITIATIVES

A. INTRODUCTION

The purpose of this chapter is to present the findings of the review process content analysis, to document the processes of administering and implementing the two study impact funding programs and to present various actors' observations and perceptions of the processes. The material presented in this section will be used in the analysis of the effectiveness of the two impact funding initiatives as programs of socio-economic impact management in the case of the Norman Wells Project. Portions of this chapter contain more detail than others. This is a reflection of the amount of material available from the different periods. It is also a reflection of the improvement in quality of the proposals and reports over the funding years.

B. NORMAN WELLS REVIEW PROCESSES CONTENT ANALYSIS

The purpose of this content analysis is to determine whether the intent of each of the two study initiatives reflects socio-economic impact concerns expressed during the Norman Wells Project review processes. As indicated in Chapter II, the impact assessment component of the socio-economic impact management process is to produce information regarding the potential project-induced impacts that are to be managed. It is relevant to the
subject of this thesis, therefore, to know whether or not the review process information from the Norman Wells Project reviews is reflected in the purposes of the initiatives under study.

Three review processes were conducted to assess the Norman Wells Project: the Federal Environmental Assessment and Review Process; the National Energy Board hearings and the Northwest Territories Water Board hearings. The Norman Wells E.A.R. Process had a broader mandate than the other two processes. It included in its assessment both the oilfield expansion and the pipeline aspects of the project. It considered socio-economic as well as environmental impacts and it heard presentations from impact community residents and organizations as well as from technical 'experts'. The National Energy Board hearings were concerned solely with the pipeline portion of the Project, has a mandate to assess energy projects in a national context and presentations were from official intervenors only. The N.W.T. Water Board hearings were held to consider the applications for water licenses for both Esso Resources and Interprovincial Pipelines Ltd. The Water Board hearings were conducted after the approval announcement and, although the hearings were public, the issues dealt with by the Board were not primarily socio-economic in nature. I decided to analyse the contents of the E.A.R. Process and the N.E.B. Review process. Documentation from these processes was readily accessible, covered the socio-economic concerns relevant to the thesis topic and were considerations in the Cabinet's decision-making process. These processes were also chosen because they were referred to by the Minister of D.I.A.N.D. in his press release announcing the approval of the Project. Transcripts from the E.A.R.P. community and
technical hearings were studied, as was the Panel's Report. The N.E.B. Reasons for Decision was used for the examination of the content of the N.E.B. hearings.

In studying the materials mentioned above, I focused attention on a search for expressions of concern related to the key elements encompassed by the two study initiatives under review. These key elements were isolated by breaking down the text of the initiatives as they were originally documented in the 'backgrounder' to the press release approving of the Norman Wells Project. The original text is quoted below:-

Initiative a) "Enhanced existing government programs to address the community and social development needs of communities along the pipeline route so that they can respond to the project as the needs are identified. Native people will be directly involved in the design of these programs and in aspects of program delivery as they relate specifically to native communities. Projected government funding over five years: $4.25 million."

Initiative b) "Planning support to northern natives to enable them to take an active role in the planning and monitoring of the project and in the design and implementation of programs initiated in response to the project. Projected funding over five years: $1.25 million." (D.I.A.N.D. 1981:1)

The key elements isolated from the text are:-

a) . community and social development needs of communities along the pipeline route
   . ability to respond to needs as they are identified
   . native involvement in the design and other aspects of program delivery

b) . need for planning support
   . a desire on the part of northern native residents to take an active role in the planning and monitoring of the project
a desire on the part of northern native residents to design and implement programs that respond to impacts arising from the project.

1. Environmental Assessment and Review Process

According to R.J.D. Page, (1981), The Norman Wells E.A.R.P. Panel heard 140 presentations. Over 100 of these presentations were made by residents of the Mackenzie Valley communities. The remainder of the presentations were made during the technical meetings that took place in Yellowknife and which concentrated more heavily on environmental issues. All meetings took place in August, 1980.

Mackenzie Valley Community Meetings

A study of the transcripts of the community meetings focusing on the key elements identified above revealed the findings that are summarized in Table II. The concerns that were of greatest importance to the community residents were recorded in this table to provide a basis of comparison for the initiative key elements.

Out of 102 presentations from Mackenzie Valley community residents, there were 12 expressions concerning socio-economic impact issues and/or the need for community and social development activities. Although not always explicit, native involvement or responsibility for these processes was often implied. Monitoring, as a process, was mentioned once by the then president of the Dene Nation, Georges Erasmus. Planning as a specific process for
TABLE II

SUMMARY OF CONTENT ANALYSIS OF E.A.R.P. MACKENZIE VALLEY COMMUNITY MEETINGS

<table>
<thead>
<tr>
<th>COMMUNITY</th>
<th>Concern re socio-economic impacts and/or Community and Social Development Issues</th>
<th>Monitoring</th>
<th>Planning</th>
<th>Jobs/ Dollars to go to the North</th>
<th>Settle Claims First</th>
<th>In Favour of Norman Wells Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fort Norman (10 + H.N.)</td>
<td>1</td>
<td>5</td>
<td></td>
<td>5 + H.N.</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Norman Wells (12)</td>
<td>2</td>
<td>2</td>
<td></td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Fort Good Hope (10 + H.N.)</td>
<td>1</td>
<td>2</td>
<td></td>
<td>6 + H.N.</td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Fort Franklin (1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td>Wrigley (12 + H.N.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1 + H.N.</td>
</tr>
<tr>
<td>Hay River - reserve (10)</td>
<td></td>
<td>5</td>
<td></td>
<td>3</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hay River - community (12 + H.N.)</td>
<td></td>
<td>5 + H.N.</td>
<td></td>
<td>2 + H.N.</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Fort Providence (4)</td>
<td></td>
<td>1</td>
<td></td>
<td>2</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fort Simpson (7)</td>
<td></td>
<td>1</td>
<td></td>
<td>3</td>
<td></td>
<td>2</td>
</tr>
<tr>
<td>Fort Simpson (11 + H.N.)</td>
<td></td>
<td>3</td>
<td></td>
<td>1 + H.N.</td>
<td></td>
<td>4</td>
</tr>
<tr>
<td>Fort Rae (3)</td>
<td></td>
<td>1</td>
<td></td>
<td>1</td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Detah (4 + H.N.)</td>
<td></td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>96 + 6 H.N.</td>
<td>12</td>
<td>1</td>
<td>0</td>
<td>26+1 H.N.</td>
<td>30+6 H.N.</td>
</tr>
</tbody>
</table>

(nb H.N. = Herb Norwegian - Vice President of Dene Nation
G. Erasmus = President of Dene Nation.)

(nb The number of expressions does not necessarily equal the number of presentations. One presentation may discuss more than one concern.)
social purposes is not mentioned at all. Georges Erasmus refers to the need for an economic development plan for the Mackenzie Valley. The word 'planning' is used occasionally in a general sense and always concerned with government's responsibility to improve its planning for future megaproject developments.

The issues most often mentioned by the residents of the Mackenzie Valley communities are; the settlement of Dene aboriginal rights and claims prior to any development and the concern regarding the benefits that might be expected to accrue to northerners and/or northern natives as a result of the Norman Wells Project, e.g. jobs, better facilities, dollars. The latter concern was sometimes expressed with an obvious belief that project benefits would not accrue to the North and sometimes as a condition of support for the project. The claims settlement issue was the most important one for the community residents.

There are 18 expressions of support for the Norman Wells Project. The majority of these expressions were from residents of Norman Wells, Fort Simpson and Hay River Community. These communities are larger than the other Mackenzie Valley communities in which meetings were held, and have larger numbers of non-native residents.

Sample quotations from the E.A.R.P. Community Hearings are contained in Appendix A.
City of Yellowknife

There were six presentations made during the community hearings in Yellowknife. Five of the six presentations are made in support of the Norman Wells Project. The major reason for support is the belief that the Project will bring much needed economic stimulation to the Northwest Territories. The support is not always unconditional.

The concern most often mentioned in the Yellowknife presentations was that there be arrangements made to ensure that the North was not left with only the costs of this project but that benefits accrue to the North as well. Concerns were expressed regarding monitoring, impact subsidies and the potential for increased social problems resulting from the Norman Wells Project. One intervenor, Mrs. Jo MacQuarrie from the Mental Health Association of the Northwest Territories presents a number of recommendations. One includes the concept of greater decision-making power being devolved to the native communities regarding health and social problems. This is the only intervention that actually mentions native involvement in terms of decision-making.

Technical Hearings

Presentations at the Technical Hearings were concerned mainly with environmental issues. The presentations that did deal with socio-economic concerns focused primarily on the Socio-Economic Impact Statement prepared by the proponents. The critiques of the statement were concerned about the
amount of time projected as available in order to prepare for the project. A need for more time was felt to be necessary if impacts were to be mitigated and if project benefits were to be enhanced. Two of the interventions of the technical meetings contained expressions that have relevance to the initiative issues. These interventions contained expressions regarding the necessity for sufficient planning of impact management strategies and for the establishment of proper baseline data to provide the possibility for meaningful monitoring.

Environmental Assessment and Review Process - Panel Report

The Panel Report contents were studied to determine whether the Panel's recommendations were reflected in the initiative purposes. Some of the other funding package initiatives, e.g. GNWT funds, training programs, joint venture proposal were direct recommendations within the Panel Report. The contents of the two study initiatives, however, are less directly identified. Appendix A contains a number of the Panel recommendations that are relevant to the purposes of the two impact funding programs. The major thrust of these recommendations is the involvement of the native communities for consultation and advice. It should be noted that the recommended involvement of the communities is not in planning, program delivery or decision-making but the Panel placed significant emphasis on the need for consulting with and soliciting advice from the people of the Mackenzie Valley.
The Panel's conclusion reads as follows:

"The Panel's review of the project has led to the conclusion that before the Norman Wells Oilfield Expansion and Pipeline Project can be built within acceptable limits of environmental and socio-economic impact, important deficiencies in the Proponents' planning and in the preparedness of government need to be rectified. This conclusion has led the Panel to recommend that the project not be proceeded with until 1982 at the earliest, in order that these deficiencies can be dealt with." (FEARO 1981:3)

2. National Energy Board Review

Twenty-one presentations were made to the National Energy Board hearings on the Norman Wells Project. Of the twenty-one, seven presentations were made by companies and organizations associated with the oil and gas industry, and were in support of the Project. Two presentations were made supporting the Project by Chambers of Commerce (Alberta, Inuvik and District), another was made by the Hay River Development Corporation and one more was made by the Ontario Minister of Energy. Two presentations were made supporting the Project but with conditions attached. These presentations were made by the N.W.T. Grade Stamping Agency and the Village of Fort Simpson. The conditions made by both organizations stipulated that concerted effort should be made to ensure that benefits of the project would accrue to northerners. The City of Yellowknife, and the Government of the Northwest Territories also made presentations that gave conditional support.

The Metis Association withheld support for the proposed project until the federal government gave acknowledgement of and some action toward, five
conditions jointly submitted by the Dene Nation, the G.N.W.T. and the Metis Association:

"(1) the need to formulate a long-term plan for the development of non-renewable resources in the Northwest Territories;

(2) the requirement for a northern based authority to control and regulate development to adequately serve the interests of the people of the Northwest Territories;

(3) the requirement for a plan for the sharing of royalties;

(4) the requirement for policies and programs to ensure the availability of energy supplies to meet the present and future needs of Northerners; and,

(5) the requirement for some movement in the area of aboriginal rights and claims." (NEB 1981:118)

There were five interventions in opposition to the Norman Wells Project. The Canadian Arctic Resource Committee identified the issues of native claims, land-use planning, and benefits to the North and held the position that time was needed to deal with these issues before any developments affecting the Mackenzie Valley should receive approval. C.A.R.C. expressed the opinion that the Project would require, among other things, good monitoring and management of impacts. The Committee for Justice and Liberty Foundation (C.J.L.) was in opposition to the Project on the basis that it provided no benefits for Canadians nor for residents of the Northwest Territories. The C.J.L. felt that approval of the Project would prejudice Dene land claims. The Dene community chiefs were in opposition to the Project until such time as their claims were settled. They held the position that until they controlled the land, they could not benefit from development projects. The Dene Nation's position was the same as that of the Dene chiefs.
In documenting its own views, the National Energy Board supports the Norman Wells E.A.R.P. Panel in stressing the importance of community consultation by proponents and government. The Board also recommends the establishment of an effective monitoring system. It places responsibility for the monitoring of socio-economic impacts with the proponents, the GNWT and appropriate federal government agencies. The NEB also expresses its opinion that native northerners will benefit least from the project and will likely bear the greater burden of the costs.

The Board concluded that the Norman Wells Project was feasible and that it could be built "without unduly taxing the infrastructure, services, facilities and resources of the impact area". (NEB 1981:126) The Board states further that in terms of its regional socio-economic desirability, the Project's modest potential benefits and liabilities would balance out. The NEB placed a number of conditions on the granting of a certificate. These conditions related to the proponents's preparation, prior to construction, of socio-economic plans to deal with the concerns brought before the Board, e.g. resource harvesting, community consultation, opportunities for northerners, effects on communities, compensation and mitigation. The Board also suggested that a regional socio-economic impact monitoring system be established associated with the Project.

3. Summary

The content analysis findings indicate that in a general sense, the purposes of the two study initiatives reflect socio-economic concerns
expressed during the Norman Wells Project review processes. They do not reflect the major concern of the native northerners which was the settlement of aboriginal rights and land claims. They reflect an attempt to address community and social development needs and the concern regarding the need for enabling communities to prepare for development. The involvement of native communities was emphasized in terms of consultation and advice, it was not expressed in connection with planning, program delivery or project decision-making. Native concern with monitoring was mentioned once during the E.A.R.P. hearings by Georges Erasmus, President of the Dene Nation. Most discussion of planning and monitoring in the review processes was in association with federal government and proponent preparedness and management responsibilities. The review process concerns, therefore, are in a general sense, reflected in the two initiative contents.

C. DOCUMENTATION OF IMPLEMENTATION OF THE INITIATIVES

1. Approval

a) General Events

John Munro, Minister of Indian Affairs and Northern Development, announced the approval of the Norman Wells Oilfield Expansion and Pipeline Project on July 30, 1981, subject to a delay in construction start up. Mr. Munro stated that the "delay was in response to concerns raised by the native people in the Mackenzie Valley and the Government of the Northwest Territories that more time be allowed for effective and meaningful planning
so that special measures and benefit packages are in effect during the construction phase of this $1 billion project." (D.I.A.N.D. 1981:1). Also announced as part of the approval was a benefits package:

"We recognize that too often, without front-end support and time for planning, opportunities for native people do not always equate to meaningful involvement, jobs and beneficial experiences,....For this reason, I have insisted on a comprehensive package of various programs totalling $20 million over the duration of the planning and construction phases of the project to ensure that the training objectives, jobs and business opportunities which we have insisted be part of this project are real and meaningful. The enhanced program package will include on-the-job and institutional training, strengthened services at the community level to cope with possible disruptions and changes, funding for the Government of the Northwest Territories to finance additional public services that will be required, and contributions to the Dene and Metis to permit them to be involved in the planning and programming activities in conjunction with all levels of government. Final approval on program funding and conditions is subject to Treasury Board review and approval." (D.I.A.N.D. 1981:3).

The press "backgrounder" that accompanied the announcement release (Appendix B), details the individual initiatives of the impact funding package and the maximum dollar allocations for each initiative. The two study initiatives are components of this benefits package. Later these particular initiatives came to be called the (a) Community and Social Development Program; and (b) the Planning Support and Monitoring Program.

The press release further stated that the Minister would appoint a project coordinator to "ensure that detailed planning is undertaken in conjunction with government agencies and native associations and that resources are allocated in the most effective manner." (D.I.A.N.D. 1981:4). In addition, an advisory committee consisting of representatives from the
TABLE III
LISTING OF CRITICAL EVENTS IN THE IMPLEMENTATION OF THE
TWO STUDY IMPACT FUNDING PROGRAMS
NORMAL WELLS PROJECT

<table>
<thead>
<tr>
<th>Event</th>
<th>Date Occurred</th>
<th>Participant(s)</th>
<th>Implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project Approval Announcement</td>
<td>July 30, 1981</td>
<td>Minister of D.I.A.N.D.</td>
<td>-</td>
</tr>
<tr>
<td>Request for 1981-82 Funds both Programs</td>
<td>Sept. 30, 1981</td>
<td>Dene Nation and Metis Association</td>
<td>Nov. 1/81 May 12/82</td>
</tr>
<tr>
<td>Revised Request</td>
<td>November 1981</td>
<td>Dene Nation and Metis Association</td>
<td>-</td>
</tr>
<tr>
<td>Formal Designation of Native Associations as responsible agents for the Community/Social Development Funds</td>
<td>Nov. 11, 1981</td>
<td>Minister of D.I.A.N.D., GNWT., Dene Nation and Metis Association</td>
<td>-</td>
</tr>
<tr>
<td>Contribution Agreement signed for 81/82 Funds of both Programs</td>
<td>March 12, 1982</td>
<td>D.I.A.N.D., Dene Nation, Metis Association</td>
<td>Nov 1/81 Mar 12/82</td>
</tr>
<tr>
<td>Deadline for completion of 81/82 Program Activities</td>
<td>May 31, 1982</td>
<td>Dene Nation Metis Association</td>
<td>Mar 31/81 May 31/81</td>
</tr>
<tr>
<td>Initial requests for 1982/83 Funds</td>
<td>May 1982</td>
<td></td>
<td>Summer 82 Mar 17/83</td>
</tr>
<tr>
<td>Final Submission for 82/83 Funds - both Programs and addition of 83/84 Requests</td>
<td>Oct. 27-28/82</td>
<td>Dene Nation Metis Association</td>
<td>Summer 82 Mar 17/83</td>
</tr>
<tr>
<td>Event</td>
<td>Date Occurred</td>
<td>Participant(s)</td>
<td>Implementation Expected</td>
</tr>
<tr>
<td>-------</td>
<td>---------------</td>
<td>----------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Project Construction Commences</td>
<td>January 1983</td>
<td>Esso I.P.L.</td>
<td>-</td>
</tr>
<tr>
<td>82/83, 83/84 Contribution Agreements Signed</td>
<td>March 17, 1983</td>
<td>D.I.A.N.D., Dene Nation Metis Association</td>
<td>Summer 82</td>
</tr>
<tr>
<td>Additional Component to Community and Social Development Program</td>
<td>April 1984</td>
<td>Dene Nation</td>
<td>Aug 84</td>
</tr>
<tr>
<td>Contribution Agreements signed 1984-85 Programs</td>
<td>August 1984</td>
<td>D.I.A.N.D., Dene Nation Metis Association</td>
<td>Apr 1/84</td>
</tr>
</tbody>
</table>
communities in the Mackenzie Valley was to be created to assist the project coordinator and to "help ensure that local interests and needs are given full consideration." (D.I.A.N.D. 1981:4).

b) Perceptions and Observations

The approval announcement was made in Yellowknife at a press conference. A reading of the press release, newspaper accounts of the conference, and more recent discussions with relevant actors, give indications of slightly differing interpretations and conceptions of what was being said and what was being intended. Prior to the press conference, Munro met with the territorial government officials and the Metis and Dene leaders to discuss the approval. There are indications that the discussions that took place at this morning meeting may have had a somewhat different content than the press conference. Such a discrepancy may have been the source of later problem issues in the impact management process.

A documentation of some of the reactions of the relevant actors, as recorded at the time and, in some cases, from more recent interviews, helps to indicate the varying perceptions and emphases concerning the approval and the impact funding initiatives.

Dene Nation and the Metis Association

The newspaper accounts documenting the announcement of the approval of the Norman Wells Project suggest that the native community leadership
concentrated mainly upon the promise of the delay in start up. Quotations from the Native Press - August 14, 1981 issue and the News North July 31, 1981 edition illustrate this point:

"In an informal poll of the Dene chiefs who could be contacted by telephone, the Native Press found a majority of opinion in favour of the federal cabinet decision to delay the construction of the Norman Wells pipeline for two years." (Native Press 1981:4).

"A 'major victory' is how the Dene Nation and the Metis Association of the N.W.T. are describing the federal cabinet approval of the Norman Wells pipeline conditional upon a two-year delay in construction and a package of benefits for the people living in the Mackenzie Valley." (Native Press 1981:4)

"Georges Erasmus, president of the Dene Nation, called Munro's announcement of a construction delay on the Norman Wells pipeline, 'a giant leap forward....This is a very significant, positive decision for the North. The delay and conditions for construction will mean major benefits for all Northerners." (News North 1981:5.)

The native leaders also reacted in favour of the special funding package, emphasizing a component of this package that did not appear anywhere within the Minister's speech or within the background material given to the press. The subject of a monitoring agency is mentioned mainly by Mr. Erasmus. It was a subject that he had previously brought before the Norman Wells E.A.R.P. panel. The monitoring agency was a subject of discussion between the Dene and Mr. Munro in meetings that were held to discuss the native associations' involvement with the Norman Wells project in May, 1981, and perhaps in the briefing meeting held the morning of the approval announcement.

"Munro's announcement also included the development of a monitoring agency which will study social, economic and environmental impacts of the pipeline construction. Erasmus said the two year delay will allow for a monitoring agency "that has teeth" to make recommendations about the construction. He said he wants the
agency to "modify as much as possible unnecessary dangers." (News North 1981:5).

"Both Erasmus and Bourque noted that an important part of the conditions for approval was the establishment of a monitoring agency "which will ensure the project is carried out without undue environmental damage and in a manner that will protect our interests."

"We want to make sure the monitoring agency has teeth in it," said Erasmus.

Both leaders also hailed the provision of community and social development programs, calling it a "breakthrough."

"To our knowledge, this is the first time a decision had been made to deal with the social consequences of development prior to development actually getting underway. It's a sound decision and should be incorporated as part of the approach to any development." (Native Press 1981:20).

In a February, 1985 interview with Kate Irving and Marg Gorman, staff members for the Dene Nation, I learned that with the approval of the project, the Dene expected "immediate implementation of community and social programs" and the "establishment of a monitoring agency that would have regulatory powers". (Irving and Gorman 1981). The Dene understood at the time of the announcement that the community advisory committee would report to the Dene. These points are reiterated in the executive summary of the "Dene Nation 1985-1987 Impact Proposal - Norman Wells Pipeline Project."

"Federal approval for the Norman Wells Project was conditional. The conditions included a comprehensive package of various programs totalling more than $20 million to ensure meaningful involvement, jobs and beneficial experience for native people. Other conditions set by then Indian and Northern Affairs Minister John Munro included:

-- a two year delay so negotiations for a share of revenues could be settled as part of the Dene land claims negotiations;
creation of business enterprises, awarding of contracts and massive training programs;

creation of a monitoring agency with broad-based northern participation so that undue environmental damage was avoided and native interests were protected; and

immediate launching of community and social development programs well before construction started." (Dene Nation 1985:1).

These perceptions provide the frame within which these actors viewed the project process and are relevant to the later considerations of satisfaction with the implementation of the impact funding package.

Also of relevance to this section are two quotations from the August 14, 1981 edition of the Native Press that give another indication of the feelings of some observers at the time of the announcement concerning the approval of the Norman Wells project:

"Editorial of Native Press, August 14, 1984
"Pipeline victory? Only time will tell.

The federal government decision to put the Norman Wells pipeline on 'hold' for two years, with some provision for native participation in the planning and implementation of the pipeline has been viewed as a victory by most native leaders.

This may or may not be true. The real verdict will come sometime in the next 24 months. And there is no question that the native people are now looking at a firm deadline for completion of their aboriginal rights negotiation because Indian and Northern Affairs Minister John Munro's announcement of two weeks ago left no doubt that when the two year period is up the pipeline goes ahead. And while native and community representatives will have an "advisory" role in Munro's own words, the decision-making authority remains with the federal government." (Native Press 1981:1).

"Since February and March of last year, native groups, federal and territorial governments as well as private enterprise have argued over and negotiated the controversial Norman Wells pipeline project. Until now, the territories have been critical of the
proposal, expressing fears of detrimental socio-economic impact and
insubstantial financial benefits. Now with the Federal Cabinet's
decision to approve the pipeline project with promises of a two
year delay, the animosity towards the project has abated and native
and territorial government leaders are scrambling to prepare for
and benefit from the project." (Native Press 1981:5).

The announcement made, the relevant actors then became involved in
official responses to the federal government and in plans preparing for the
project start-up.

2. The Delay Period - July 30, 1981 - December 31, 1982

The period of time from the approval announcement until the commencement
of construction in January, 1983 is the delay period during which, "effective
and meaningful planning" (D.I.A.N.D. 1981:1) was to take place. A
chronological documentation of actions and events involving the relevant
actors during this time period should give an indication of what was
accomplished. General project events will be discussed first, followed by
more specific material concerning the two impact funding initiatives that are
to be used in the analysis of effectiveness. A discussion of relevant actor
perceptions will complete the documentation. Relevant actors for this thesis
are the two native associations and the federal government. These actors are
chosen because they are most closely connected to the implementation of the
two study initiatives under review.
a) General Events

As part of the approval press release information, the Minister of D.I.A.N.D. announced that he would be appointing a project coordinator, "who will ensure that detailed planning is undertaken in conjunction with government agencies and native associations and that resources are allocated in the most effective manner." (D.I.A.N.D. 1981:4). In August 1981, the Norman Wells Project Coordination Office was created and an interim coordinator was appointed. The Office's mandate as described in the Mid-Project Evaluation of Selected Issues Related to the Norman Wells Project Coordination Office, hereafter called the Mid-Project Evaluation, is as follows:

"(1) Coordination of government regulation of the Norman Wells Project and of incremental government programming for the project, including administering special project-related federal funds of up to $21.4 million.

(2) Oversee federal performance and company commitments to environmental and socio-economic objectives of the project." (Inter Group Consulting Economists Ltd. 1984:54).

The achievement of this mandate necessitates the following activities:

- Secure co-operation from relevant government departments/agencies and the G.N.W.T to participate in co-ordination efforts.

- Establish and maintain mechanisms to facilitate: (1) regular exchange of information among relevant government groups, and (2) the identification of impacts and resolution of problems affecting the project that may result from regulatory activities.
- Administer and monitor the special federal funding. This includes preparing Treasury Board submissions, contribution agreements and obtaining the necessary reporting on the use of funds from the recipients.

- Liaise with, advise and bring together as needed government agencies, local groups and proponents to discuss and, where possible, resolve concerns about project related programs.


The Office's coordination function is achieved by cooperation, moral suasion and "an 'open-door' approach between federal departments and agencies with primary interests and/or regulatory responsibilities." (D.I.A.N.D 1981:21). No special authority was given to the Minister of D.I.A.N.D. by Cabinet for the Coordination Office's responsibilities. From August 1981, until the spring of 1982, this Office consisted of two people based in Ottawa. One staff person was responsible for administering the impact funding, the other commuted extensively between Ottawa and Yellowknife establishing the Office's methods and mechanisms of operation. In the spring of 1982 the Office's main operation commenced in Yellowknife. The interim coordinator was still responsible, and a support unit still operated out of Ottawa. This status continued until January of 1983. Mrs. S. Meldrum of the Norman Wells Support Group in Ottawa, recalled in an interview in July 1985, that much of the first six months to a year of the Office's work was focused on establishing functions and getting people in place. She stated that there was no rigid concept of what was to be done, but that there was a push to be established as an office before pipeline construction started. (Meldrum 1985). The impact funding procedures were initiated, contacts were established with other departments, and the coordination aspects were set in
motion. As examples of the latter, the interim coordinator established the Norman Wells Project Coordinating Committee which met for the first time in December, 1982, and he initiated contacts for establishing the Community Advisory Committee.

As has been documented, the Dene and Metis Leadership anticipated an immediate start to their planning and monitoring functions and to their community and social development programs. They had initiated their requests for funding as early as September 1981. At the same time, however, the Dene Nation was committed to putting the question of support for the Nation's involvement in the Norman Wells Project before a Leadership Meeting of all the Dene community chiefs. This meeting took place during the week of November 23 to 27, in Yellowknife. A follow-up meeting was later held on December 2, 1981 at Fort Simpson. As a result of these meetings, the Dene Nation and the Metis Association prepared a position paper for the Minister of Indian and Northern Affairs. (Appendix C)

According to the executive summary of the Dene Nation's 1985-1987 impact funding proposal, the position paper contained conditions that the Dene placed on their involvement with the Norman Wells Project:

"The Dene leaders in turn attached conditions to their agreement that the Norman Wells Project could go ahead, and these conditions were communicated to the Government of Canada by the Dene Nation and the Metis Association. The Dene called for:

- satisfactory settlement of the ownership of the Norman Wells oil and lands used by the Project before the end of the two-year delay;
-- protection and, where possible, improvement of the environment, with total responsibility assumed by the Government of Canada;

-- creation of a monitoring agency, with Dene participation and funding provided to the Dene by the Government of Canada, which would have authority to force compliance with the rules, regulations and agreements to minimize impacts and protect or improve the environment; and

-- provision of funding based on agreements with the Government of the Northwest Territories." (Dene Nation 1985:2)

In addition to the conditions outlined above, the position paper (see Appendix C) lists a number of decisions that had been reached between the two native associations and the G.N.W.T. regarding the impact funding. Each of the initiatives is documented and accompanied by a direction for its distribution. The third section of the position paper describes a structure to be employed for the Project's management. This document was sent to the Minister at the end of 1981. The Dene Nation staff that I spoke to believed that the paper was never formally acknowledged.

The Dene Nation's and the Metis Association's work with the Norman Wells Project during 1982 was mainly concerned with accessing the impact funds and with initiating and administering the programs associated with these funds. In addition to the two major programs that are the subject of this thesis, work began on negotiation and on the legalities associated with the Shehtah Drilling Venture, information regarding the Norman Wells Project was communicated to communities, business contract negotiating aid was given to interested community residents and participation with the G.N.W.T. was commenced on the Joint Needs Assessment Committee. This committee consisted of representatives from the Dene Nation, the Metis Association and the
G.N.W.T. Its purpose was to identify training needs of northerners, particularly natives, for employment related to the Norman Wells project and to recommend effective ways to deliver this training. The committee began its work in March, 1982.

b) Impact Funding Initiatives

1981/82 Funding Proposals

"If we are to make proper use of the time available to prepare ourselves we must start immediately. The Metis/Dene do not have adequate resources. We need immediate funding in the amount of five hundred thousand dollars so that we can begin to prepare our plans and proposals for further funding." (Dene Nation and Metis Association 1981b:3).

This quotation is taken from a funding proposal prepared by the Dene and Metis in September 1981. This proposal is to access some of the funding designated for planning support and monitoring. The areas that the native organizations felt should be addressed through planning processes included; aboriginal rights, economic development, environmental protection (monitoring), housing, community information, communication, social development and criminal justice. The proposal concluded:

"If we are to participate in this manner we must begin to plan and organize ourselves now. The provision, immediately of planning funds will make it possible." (Dene Nation and Metis Association 1981b:13)
The Dene and Metis proposed that the $500,000 be used from November 1, 1981 to March 31, 1982, the activities to be carried out included the convening of a general Dene leadership meeting, the establishment of a fieldworker and extension program, the hiring of specialists and the initiation of specific studies on project-related issues. The purpose of the Dene Leadership Meeting was to discuss the issue of whether or not to participate in the project. The fieldwork and extension program's purpose was:

"a) To learn about all aspects of the project including decisions on Dene participation.

b) To work with communities in the areas of:
   - preparing to deal with social and economic impacts
   - identifying skills present in the community related to employment opportunities
   - identifying potential contractors related to potential contracts
   - explaining other aspects of Dene Nation/Metis Association involvement as these evolve

c) To begin the process of organizing communities to participate in a way that will maximize benefits to the people in the communities

d) To work with other fieldworkers, Chiefs and Dene Nation/Metis Association Executives to formulate the basis of an overall plan for Dene participation." (Dene Nation and Metis Association 1981b:2)

The specialists were to be from the major areas of finance, management, environmental studies, accounting, bookkeeping and law. The studies were to look at economic institutions and appropriate technology related to energy developments.
The Community and Social Development portion of the proposal was based on a resolution made in a Leadership Meeting that had been held in Yellowknife from April 6 to 10, 1981, the spring prior to the approval announcement. This proposal calls for the hiring of 38 community development fieldworkers, one full-time national headquarters coordinator, five full-time regional coordinators and a four-member workshop team. The proposal includes a rationale, methods of operation for the program and a job description for the community fieldworkers.

Elements of this proposal were incorporated into the revised requests for funds that the Dene Nation and Metis Association submitted to D.I.A.N.D. in November 1981. The Mid-Project Evaluation prepared for D.I.A.N.D. by InterGroup Consulting Economists, states that:

"...these requests represented the needs of three separate programs for which the impact funding was intended:

1. Planning and monitoring support -- to conduct research and consultation activities of relevance to the Dene and Metis people in planning for the Norman Wells Project; these activities include preparing to take advantage of business opportunities and developing an impact monitoring system.

2. Community and Social Development -- to conduct a community-based planning exercise to determine the details of a community and social development program, incorporating a proposed native fieldworker component. (The proposal actually requested funds for 20-25 fieldworkers plus a small group of headquarters staff responsible for workshop development. The fieldworkers were to be responsible for assisting communities in the identification of problems and in the resolution of these problems where possible).

3. Training -- to conduct research and consultation on northern training needs related to the Norman Wells project with a view to identifying a strategy for use of the remaining impact funds targeted for training." (Inter Group Consulting Economists 1984:41)
The approval process to access the funds took four months. (see Appendix D for description of Treasury Board authorization process). The contribution agreements (formal contracts) were signed in mid-March 1982, theoretically to be executed by the end of that month. An extension of approximately two months was granted for the expenditure of the funds. The Dene and Metis organizations had initiated some work on the programs prior to receiving the approval, but later than they had planned, and with funds from other sources within their organization budgets.

1981/82 Program Outcomes

The Community and Social Development funds were used to consult with communities and to make arrangements for funding and programs associated with the pipeline project, to contract with Dene Councils and Metis Locals for the preparation of reports outlining community needs and concerns associated with the project, to develop a fieldworker training program, health, and communication activities.

The Planning and Monitoring funds were used to pay for negotiations related to the contribution agreements, to fund studies of alternate economic options, to aid the Metis Association in general planning, to convene a seminar on Metis futures, to conduct analyses of existing programs, to prepare small business survey planning, to fund negotiations and joint venture expenses, to initiate planning contracts with Dene Councils and Metis Locals, to fund the November Dene Leadership Meeting and regional meetings to discuss, organize and plan for the project, and to fund communications and administration activities.
One major output of the two programs was the preparation of two reports that compiled the results of the studies done by the Metis Locals and/or Dene Councils in eighteen communities. (1) "Reports on Community and Social Development and Planning. Submitted through Dene Nation Office, July 23, 1982", 2) "Norman Wells Project Impact Funding, Community/Social Development and Planning Funds, 1981/1982." Report on Funding to Mackenzie Valley Communities, April-May 1982. Submitted by the Metis Association of N.W.T. to June 21, 1982. These studies were to assess present and potential needs in the communities that would be related to possible impacts of the Norman Wells Project. The reports identified the following as major concerns to the people of the Mackenzie Valley communities:

1. problems with business participation
2. renewable resources are an important part of the economy
3. alcohol and drug abuse is the major social problem
4. housing is a social and economic problem
5. there is a serious lack of information and communication about the Norman Wells Project
6. education and training are needed
7. there are social concerns still requiring attention.

One report concludes with a concern regarding the problem of funding processes. "The timing and delivery of funds was short, unplanned and uncoordinated." (Metis Association 1982a:6). This concern was expressed on behalf of a number of the communities and reflected some criticism of the Association and Nation headquarters as well as of the federal government.
The native organizations expected the information contained in the above-mentioned reports to form the basis for future impact funding proposals. The needs and issues identified were to become the foci for community development fieldworkers' operations. Requests for the 1982-83 funding allocations were initiated in May of 1982, with the expectation that programs would follow up on the interest stimulated by the surveys in the communities. These requests encountered numerous difficulties within the application and authorization processes. According to the Mid-Project Evaluation, these difficulties included:

"the reorganization of the Financial Administration of D.I.A.N.D. tightening of funding policies within D.I.A.N.D., the lack of experience of the Coordination Officer with the Treasury Board approval process and the lack of familiarity of Treasury Board with the impact funding program, the Dene and Metis may also have contributed somewhat to the delay by trying to include items in their proposal that were controversial." (Inter Group Consulting Economists 1984:44)

These difficulties created a situation that resulted in the funding requests for planning support and monitoring not being ready for submission until October 28, 1982. As it was obvious, at that time, that little time of the current fiscal year would be left by the time funds were actually received, requests for the 83/84 fiscal year were submitted with the 82/83 requests.

The activities proposed to be undertaken during what remained of the 1982/83 fiscal year and extended during 1983/84 included:
- 60 -

- the funds for the Metis Association would be used to pay the
  salary, benefits and travel costs of one staff member who was
  to assist Metis Locals with planning

- the funds for the Dene would be used for:

  . joint venture with Esso Resources
  . negotiations of Dene participation in Norman Wells
    resources
  . community and regional participation - regional planning
    and coordination of community planning re. business and
    employment administration

After the Dene Nation request was submitted to D.I.A.N.D., the Metis
Association submitted a separate request that outlined its plans for the
Metis portion of the planning support and monitoring funds. The Metis wished
to have the funds paid to them separately to avoid problems in accounting and
administration. The Metis proposal makes it clear that the staff position
requested would carry out the following activities: follow-up on the
community surveys of 1981-82; encourage planning through development
corporations at the community level, and; communicate with association locals
and outside agencies. (Metis Association 1982b:3). The same activities were
proposed for the 83/84 fiscal year.

The community and social development funding request submitted to
D.I.A.N.D. by the Dene Nation on October 27, 1982 proposed to establish a
community development project that would "build the capacity for individuals
and communities to cope with pressures and problems we face." (Dene Nation
1982:4). The project was to accomplish this goal through community study and
research activities, pilot projects, a community development workshop, two
social workers, a cross cultural conference, and a network of community
development fieldworkers.
The Metis Association request for 82/83 and 83/84 community and social development funds was to provide a community-based program of social development. This program was to be carried out by individuals in positions that were created based on the input received in the surveys completed in May 1982. The positions were; 1 Community Services Coordinator, 2 Liaison Officers, 7 fieldworkers and 1 Communications Officer. Funds were also to be available for short term contracts and projects.

c) Perceptions and/or Observations

The tone of the comments made by the Dene and Metis leaders immediately following the approval announcement is optimistic, enthusiastic and almost victorious. By the end of the delay period the optimism wears a little thin. An initial confusion regarding the designation of the funding for community and social development programs ($4.25 million) is settled shortly after the approval announcement:

"Meetings in Ottawa in the fall of 1981 resulted in a decision (confirmed by various parties at the meetings and later in writing) that Mr. Munro had agreed to provide the $4.25 million which had been allotted for community and social development, directly to the Dene and Metis. A condition of this funding was that the Dene and Metis take part in a Steering Committee with officials from the G.N.W.T. in order to avoid duplication of G.N.W.T. services and activities." (G.N.W.T. 1982:1)

The Metis, Dene and the G.N.W.T. were able to agree on a number of issues regarding the allocation of the impact funds. This is illustrated in the Dene Nation "Position Paper" of December 7, 1981. (see Appendix C) There are two major proposals that are contained in this paper that appear to get
lost over the period under discussion. The first of these issues is the
'monitoring agency', the second is the 'management structure' outlined in the
paper. The monitoring agency concept is discussed by the native leaders in
their reactions to the approval announcement and it is one of the conditions
for agreement set out by the native organizations in their position paper.
It does not appear in D.I.A.N.D. documents, the announcement press release,
or in the newspaper accounts of the press conference. The concept does not
appear in funding requests during 1982. The management structure contained
in the "Position Paper", proposed an 11 member management committee that
would have had strong representation from the native associations and the
Territorial government. This concept also appears to be ignored by
D.I.A.N.D., and is not referred to by the native organizations during 1982.
Both of these concepts, however, as I will discuss, become important in the
Dene's later concerns about the Norman Wells Project.

The delay in the receipt of the impact funds caused some discontent.
This discontent was felt to a limited degree during the first quarter of
1982, but was a serious concern by the end of the year when it became obvious
that the second year of funding would not be received before the start of
construction of the project. The discontent was felt both by the Dene
Councils and the Metis Locals toward their head offices and by the head
offices toward the federal government.
3. First Construction Year - January 1, 1983 - December 31, 1983

a) General Events

Construction of the artificial islands and pipeline right-of-way clearing commenced in January 1983. During this month also, John Mar was appointed as full time Coordinator of the Norman Wells Oilfield Expansion and Pipeline Project. Mr. Mar was expected to build "on the fine foundation laid by interim coordinator John Scullion and the Norman Wells Support Group..." (D.I.A.N.D. 1983:1). Mr. Mar became responsible for coordinating government regulatory activities related to the Project, for coordinating the planning activities and implementation of government measures of mitigation of negative impacts and for the enhancement of project benefits, for coordinating the activities of the G.N.W.T., the Canada Employment and Immigration Commission and the D.I.A.N.D. Regional Office, for establishing and liaising with the Community Advisory Committee and for communicating information about the Project. Mr. Mar, therefore, became responsible for administering the Norman Wells Project Coordination Office, which then consisted of three full time staff - the Federal Coordinator, the Deputy Coordinator and a secretary. At this time a Coordination Officer was located at a field office in Fort Simpson. Later in the year a second field officer was located in Norman Wells.

The Federal Project Coordinator continued to chair the Project Coordinating Committee meetings which met quarterly. This committee included representatives from the proponent companies, the native associations, the
G.N.W.T., the National Energy Board, D.I.A.N.D., the Canada Oil and Gas Lands Administration (C.O.G.L.A.) and the Canada Employment and Immigration Commission, (C.E.I.C.). Mr. Mar also initiated a smaller management committee which was composed of representatives of the G.N.W.T. and the proponent companies. As stated above, Mr. Mar was to be responsible for liaising with the Community Advisory Committee. During 1982, Mr. Scullion, as interim coordinator had begun to organize this committee. It took until May of 1983 for the committee members to be appointed by the Minister of D.I.A.N.D. and until July for the first meeting to be held. The Committee was to be comprised of representatives of the communities in the N.W.T. affected by the Norman Wells Project, and was "to ensure local interests and needs are given full consideration." (D.I.A.N.D. 1981:4). This committee also meets on a quarterly basis.

In June 1983, the Joint Needs Assessment Committee submitted its final report. The study took over a year to complete, and the report advocates training in areas such as education, health, social services, communications, wildlife and land management as well as in the technical skills associated with pipeline construction and maintenance.

In September, Shehtah Drilling, the joint venture project between the Dene Nation, the Metis Association and Esso Resources was launched.

At the November 29, 1983 Project Coordinating Committee meeting, Steve Kakfwi of the Dene Nation put forward a proposal to establish a community-based Environmental Protection Working Group. The Dene proposed
that the Group's functions would include reviewing all surveillance and monitoring reports, ensuring that all monitoring agencies are informed of each other's activities and distributing information on monitoring and environmental effects. The proposal was received favourably by the Committee and a meeting was arranged for the day following the Coordinating Committee meeting to further discuss the concept.

b) Impact Funding Initiatives

The funds that were hoped for to start programs in the summer, or at latest the fall of 1982, did not arrive until March of 1983. Kate Irving, working at that time for the Metis Association, at a Project Coordinating Committee meeting in February, 1983, was reported in the minutes of the meeting as saying that "there has been very little done by the two native organizations since last spring." (NWPCC 1983).

Funding Program Outcomes 1982/83, 1983/84

The Dene and the Metis signed separate contribution agreements with D.I.A.N.D. for these funds. The agreements were signed on March 17, 1983.

Community and Social Development Program - Dene Nation

The contribution agreement signed by D.I.A.N.D. and the Dene Nation for the 1982/83 and 83/84 funds describes only the community fieldworker portion of the original October 1982 proposal. The requested budget was cut by 40%.
The Dene Nation reallocated budget amounts to accomplish the activities described in this section. The program included training, coordination and supervision responsibilities for a group of staff to be housed at the Nation office, and the contracting of management and supervision of fieldworkers to community band councils. Fieldworkers were to be chosen by the individual communities and were to work on issues relevant to specific community needs. In addition to 19 community fieldworker positions for 9 communities, 3 Regional Coordinator positions were created. The head office unit was to develop workshops, and prepare information packages on issue subjects identified in the previous year's community surveys.

A 7 day Community Development Workshop was held in May 1983 to train fieldworkers and some community members. In addition to this workshop, community workshops were held in five communities over the funding period. The following topics were the subjects of these workshops; social and environmental problems, community learning, child welfare, alcohol and drug abuse, traditional values in the modern world, women and community decision-making, Dene culture. These workshops resulted in the establishment of the Inuvik Mental Health Help Line, of the Youth/Elders Group and in a Deh Cho regional workshop which initiated a move to control community development. The Community Development program was also responsible for establishing a resources centre for community development in the Dene Nation office, and for prioritizing community issues through base line data gathering.

Plans for social development activities included: the preparation of a social development study to look at alternative ways of utilizing social
assistance funds at the individual and community level, and to explore child welfare, drug and alcohol abuse, recreation, justice and corrections programs, community problem solving sessions, consultation regarding Dene Nation health, education, communication and administration programs, management of the Community Development Leadership Project, assistance in design, implementation of land and resources workshops, preliminary negotiations with funding sources and management training sessions for Dene National Office staff.

Planning Support and Monitoring Program - Dene Nation

"The Planning and Monitoring program is conceived as a means of assisting Dene communities to prepare themselves to respond to the impacts of the Norman Wells Project." (Dene Nation 1983:1). The program was to be carried out by the Dene communities. Funds were allocated according to contracts signed between the Dene Nation and the various band councils. The contracts were signed in March 1983 and funds were to be allocated on a quarterly basis. The projects initiated through this program included:

- two major regional resource development impact studies
- compilation of recommendations to deal with impacts:
  - Dene Planning Agency
  - Dene Centre of Training and Technology Development
  - Dene Financial Institution
  - Renewable Resource Development
  - Non-Renewable Resource Development
  - Small-scale Business and Industry
  - Leadership Development
  - Women and Youth Development
  - Lifelong Learning
  - Community Health
ongoing individual community projects:

- e.g. Fort Good Hope - compensation for hunters and trappers  
- Fort Simpson - research project on social and economic effects

determining of major issues:
- business participation
- renewable resources
- social and health issues
- housing
- communication barriers
- education and training
- other social concerns

Community and Social Development Program - Metis Association

The Community and Social Development funds for 1982-83 and 1983-84 were received in March 1983. Several new positions were funded; a Community Services Coordinator for Fort Norman, two liaison officers - one in Yellowknife and one in Fort Norman, seven fieldworkers located in Inuvik, Fort McPherson, Fort Good Hope, Norman Wells, Pine Point, Hay River and Fort Simpson, and a Communications officer for Yellowknife. Short-term contracts and projects were also part of the program. The program staff experienced some difficulty receiving approval for the program objectives from the Metis Association Executive and Board. The Association changed presidents three times during the year which affected the Community and Social Development Program's continuity. Mrs. Meldrum stated in a July 1985 interview that the Community and Social Development Program had a bad time in 1983. The loss of the Coordinator was a real blow to the program and meant that not a great deal was accomplished especially in the second half of the year. (Meldrum 1985). At the end of March, 1984 all field workers were dismissed in order to initiate a new approach in the 1984-85 program.
On June 6, 1983, the Metis Association hired an Economic Planning Projects Officer. The purpose of this position was to follow up with the problems identified in the 1981-82 reports, to provide specific assistance to encourage economic planning at the local level and to serve as a channel of communication within and outside the Metis Association membership on business development aspects of the Norman Wells Project. The Metis wished to take advantage of their experience in the business world in fostering independent approaches to economic development.

Priorities for the work of the Projects Officer were defined by the Metis Association Executive and Board and members of the Metis Locals. The priorities were as follows:

- "give practical planning assistance to local Metis businesses and individuals in securing opportunities from the Norman Wells Project
- encourage economic planning by the Locals through local or regional development corporations
- begin dealing with the other problems of Metis business development." (Metis Association 1984:3).

The Project Officer assisted individuals and groups in planning, bidding for contracts and establishing businesses. He investigated opportunities and maintained contact with the Project proponents and relevant government departments. The Project Officer researched and assisted in establishing local development corporations. Funding programs and opportunities were
researched and the information gathered was communicated to Metis Locals. The Project Officer identified the need for management training and management assistance to be delivered on a comprehensive, ongoing basis.

Toward the end of the 1983-84 fiscal year, the Project Officer began to work toward ensuring that the administration of the Planning Support and Monitoring Program would be smoothly transferred to the Metis Development Corporation. He also assisted Locals to prepare proposals for local development co-ordinators through Norman Wells impact funding.

c) Perceptions and Observations

Throughout 1983, the native associations, particularly the Dene Nation office and the Dene band councils, became increasingly disenchanted with the Norman Wells Project. The delay in receiving the impact funds meant that the Dene were not able to set up the planned-for programs in advance of construction start-up. According to the Mid-Project Evaluation of Selected Issues Related to the Norman Wells Project Coordination Office:

"Several fieldworker coordinators were hired but none of those who would be working in the communities could be hired. They (the Dene) lost out on the opportunity to hire several of their preferred candidates for the fieldworker positions as these people found other work in the interim. By delaying most of their activities from before to after the start of construction, the usefulness of the proposed activities was diminished, since they were not in place to deal with the construction impacts from the beginning." (Inter Group Consulting Economists Ltd. 1984:44)
The minutes of the February, 1983 Project Coordinating Committee meeting show that the native representatives and the Territorial Coordinator were very dissatisfied with the delay in receiving the impact funds. Kate Irving of the Metis Association, spoke of the frustration of the Steering Committee on Community and Social Development with the delay, particularly when there had been a strong hope that the funding would be available immediately after the first amount had been spent (June 1982). The delay of approximately nine months was seen as excessive and extremely frustrating.

At the November, 1983 meeting of the Coordinating Committee the Dene presented their proposal for environmental monitoring. In his opening statements, Steve Kakfwi makes it clear that the Dene feel that they must make this proposal because the issue of the monitoring agency was never addressed by D.I.A.N.D. after what Kakfwi describes as 'negotiations about the benefits package', took place. There appears to have been some support for the Dene proposal within the Coordinating Committee meeting and there was a commitment to meet to discuss the concept more fully.

In December of 1983, several actors in the Norman Wells Project made submissions to the Beaufort Sea Environmental Assessment Panel public meetings. The transcripts of these meetings gives some idea of the attitudes and perceptions held about the Project at that time. Mr. Mar, Federal Coordinator, stated that he felt that the performance of the coordinating process had been so far successful. The project was on schedule, and he said that the communities were participating meaningfully and that the Coordination Office had become a focus for all parties concerned with the
Project. He recognized as concerns, his own late appointment to the position of Coordinator, an "overperception of benefits accruing from Norman Wells" (B.S.E.A.R.P. 1983a:47), and the difficulty of maintaining a policy of northern hiring preference. He also emphasizes the importance of a strong commitment on the part of the native associations to participate in the coordination process. "Without that it doesn't work." (B.S.E.A.R.P. 1983a:47)

The Beaufort meetings indicated that there was a general concern regarding the delay in accessing the impact funds. The following comment from one intervenor (D. Erickson) expresses this concern:

"...when you say you are going to learn from the experience, we have an example of Norman Wells where there was a two year delay so that people could be prepared, and yet we have from the G.N.W.T's submissions that it is two years into the project before any of the impact funding is received.

What basis should the panel have to hope that following D.I.A.N.D. as the chief coordinator, or whatever, for the Beaufort project that there is any reason to hope that things will go any different." (B.S.E.A.R.P. 1983a:99)

In response to this question, Mr. Beaubier, Director General of Indian and Northern Affairs in the Northwest Territories makes a number of comments that presents his views on the allocation of the impact funds:

"...there had to be a consensus and a will to direct that money in the most appropriate way. And it is a complex world that we are dealing with, and there is a variety of competing interests out there for that money. And the discussions in terms of how it would be divided, where it would go, how it would be applied were very difficult to conclude because of those competing interests...it was always the intent to have those (funds) flow through normal
programs in any event. And it's the descriptions and the decisions that cloud that division, I think that lead to delays." (B.S.E.A.R.P. 1983a:100).

It is in the Dene presentations that strong dissatisfaction with the Norman Wells Project is made very obvious. Some of Georges Erasmus's comments are quoted below:

"Many of you may be under the impression the Dene are happy now, simply because some have a few jobs or contracts, and that we're involved in a joint venture with Esso at Norman Wells. I don't want to purposely disillusion any of you, but let me assure you that we're not at all happy with the way the Norman Wells decision was made....We're not happy with the promises made by the government at the time I.P.L. and Esso were given the green light and then twisted beyond recognition later....we have to have a real role in decisions, rather than just hoping someone will listen to our advice.

....When the decision was made, we accepted the inevitable and tried our best to make the project work for us. In return for our efforts to make the project work for us, we secured concessions from the government, including a broad-based monitoring agency that would be at work prior to the beginning of any work, and continued till after the pipeline was completed....We gave it our best shot, but it's not working. With few exceptions, all of the promises of benefits for the Dene resulted in benefits to others.

....Our role now is monitoring, which means sitting on a project coordination committee chaired by the Department of Indian Affairs engineer. It is mainly a liaison body designed to grease the wheels of industry. It can plead, but it has no powers." (B.S.E.A.R.P. 1983b:29)

In answering a question specifically related to the impact funds, Mr. Erasmus detailed the problems encountered in trying to access the funds and concluded:

"So the whole concept of giving us planning dollars to plan for the project was completely destroyed by that whole process. And the
same thing with having dollars to create possible social programs in the communities, controlled by communities to alleviate any damage.

I mean the dollars are now starting to come. I mean we are now getting planning dollars to plan for the project. I mean, well anybody here can assess for themselves what good that would do when the project is going full tilt at this time." (B.S.E.A.R.P. 1983b:75)

At the end of 1983, then, the available evidence suggests that the federal government actors were pleased with the overall coordinating process associated with the Norman Wells Project while the G.N.W.T. and the native associations were not at all satisfied with the process and were particularly frustrated with the processes required to access the impact funds.

4. Second Construction Year: January 1, 1984 - December 31, 1984

a) General Events

On February 1, 1984 the Dene met with the G.N.W.T. and D.I.A.N.D. in the first meeting of the Norman Wells Project Joint Environmental Working Group. In this first meeting, terms of reference were agreed upon and surveillance and monitoring information was discussed. The Group agreed that its first task was the identification of existing monitoring activities and resources in order to determine what still needed to be done to ensure that an effective monitoring program was, in fact, in place.

The Dene reported to the Project Coordinating Committee on February 29, 1984 that they planned to use the unexpended balance of their planning and monitoring funds to provide interim financing for their community-based
monitoring program. In addition to skills training and ongoing research, the program was to provide technical support to the Dene representative on the Joint Environmental Working Group. At this time, the Dene indicated that they would be taking steps to become involved in socio-economic monitoring as well as the monitoring of the environment. The Dene saw their monitoring initiatives as a first step in the establishment of a Dene Monitoring Agency with regulatory authority guaranteed through aboriginal rights settlement. As part of this meeting report, the Dene stated:

"...we are pleased...with....the news that less than two weeks ago, we received confirmation from John Mar that the start-up funds which we had requested for this work last October, will finally be forthcoming to the Dene Nation in the near future. While this initial funding is only intended to carry us to the end of the current fiscal year, we take it as a sign of good faith on D.I.A.N.D.'s part and trust that the on-going resources necessary to carry our work through the next two years will be forthcoming." (Dene Nation 1984a:1)

The May 1984 'Information Pipeline' prepared by the Norman Wells Project Coordinating Office contained an article on the Joint Environmental Working Group which indicates that interim funding for the group was coming out of the federal coordinator's budget. On May 25, 1984 the Dene issued a press release stating that their plans for monitoring the Norman Wells Project would have to be dropped if funds were not received immediately. (News North 1984:1). At the Project Coordinating Committee meeting of the same month, the Dene representative brought up the same issue and referred to differing information the Dene was receiving from the federal government agencies.
The June 1, 1984 edition of the Native Press states that the delay in receiving the 1984-85 funding forced the Dene Nation to put aside their plans for training community people to monitor that year's construction. Summer environmental monitoring plans were also dropped. It was felt that there would not be sufficient time to adequately train community people. Mr. Mar is quoted in the article as blaming both the Dene and the government processes for the funding delay:

"He said the Dene Nation was slow in delivering actual proposals and budgets for their programs.... "Some of these programs have to be reworked to fit the guidelines the (federal) cabinet outlined for spending Norman Wells money."" (Native Press 1984:1).

Treasury Board approved the funding requests in the second week of June. Funds were received in August 1984.

Events during the second half of 1984 were devoted to "business as usual". The proponents and contractors geared up for the final construction season, the Project Coordinating Committee and the Community Advisory Committee met and the native organizations worked to implement the programs for which the funding had been received. No major issues relating to the impact funding programs are reported during this period.

b) Impact Funding Initiatives - Funding Requests

Community and Social Development Program - Dene Nation
The following goals are identified for the Dene Nation 1984-85 Community and Social Development Program:

"1. To provide an ongoing formal and informal forum through which community and social concerns are raised and through which the community can work to develop itself.

2. To provide resources to the community with which to analyze and work to develop itself.

3. To provide support and encouragement to the community by making resource people available to them to assist in analyzing and seeking solutions to community needs.

4. To provide for exchange of information within the Dene Nation, among the communities and with the Dene Nation through oral, face-to-face communications made possible by workshop team and coordinators.

5. To build a stronger sense of community in the custom of the Dene." (Dene Nation and Metis Association 1984b).

The program includes three components designed to achieve these goals:

a) Community action on social development issues;

b) Native Community Cultural Revival Program; and

c) Native Community Interpretation Training Program.

The proposal is accompanied by a budget that identifies the staffing and program costs required to effect these activities. This proposal was submitted in January 1984.

Planning Support and Monitoring Program - Dene Nation

In January 1984, the Dene Nation submitted to D.I.A.N.D., its formal request to re-allocate a portion of the impact funding originally intended
for training funds to the Planning Support and Monitoring Program. These funds were to be used in the development of monitoring capabilities and activities. In coordination with the Metis Association the Dene Nation proposed to establish a community-based monitoring program specifically for the Norman Wells Project.

"The purpose of the Program will be to monitor all aspects of the project during the construction and start-up phase and to develop an ongoing mechanism within each community for dealing with any problems which might affect the community that might arise during the life of the project. The Monitoring Program will have an environmental component and a socio-economic component." (Dene Nation and Metis Association 1984a).

The proposal indicates general objectives associated with environmental and socio-economic monitoring, gives a limited description of proposed training, outlines the need for additional funds for community planning support and requests funds to contract for a professional assessment of the state of training to that time. (N.B. - the socio-economic component was actually added to the submission in April 1984).

Community and Social Development Program - Metis Association

Michael Malcolm, Executive Director of the Metis Association concludes his September 1984 Activity Report of the 1983-84 Community and Social Development Program with these words:

"...evaluation of the program was that it basically failed, the only way to help the Metis would be to start them in the area of Community Projects and Economic Development. Based on our past experiences, we think it would benefit the respective communities
better if the local as a whole was involved in economic development or a community project benefiting the community." (Metis Association 1984).

The 1984-85 proposal for Community and Social Development focused on the initiation and funding of community projects under the sponsorship and control of Metis Locals. This focus was to be facilitated through a small headquarters staff unit and individual Metis Locals. Community projects were to respond to community needs in coping with the impact of resource development and/or in preparations to take advantage of beneficial opportunities.

Planning Support and Monitoring Program - Metis Association

During 1983-84 the most requested service of the Economic Planning Project Officer was assistance with specific business development projects and with management problems. The 1984-85 funding proposal was based on continuing this service so that full advantage could be taken of the opportunities of the 1984-85 construction season. The proposal also identifies a concern for the development of long-term economic planning mechanisms that can be continued after the Project ends. The Metis Association propose that the Planning Support and Monitoring program be contracted to the Metis Development Corporation.

The proposal requests funding for an Economic Planning Officer who was to be responsible for providing planning assistance to Locals and to local business and for encouraging and assisting in the formation of a native
(Dene/Metis) business association. This work is stated to be an initial step toward a Western Arctic Native Business Association. The proposal requests a second position - Secretary/Liaison Officer to be responsible for office work, liaison with local businesses and the provision of organizational back up.

This proposal was submitted in January, 1984.

Dene Nation and Metis Association - 1984-85 Program Outcomes

The proposals for funding did not reach Treasury Board until June 1984. Contribution agreements for the 1984-85 fiscal year were signed in August and the initial installment of funds was also received in August 1984. The program descriptions contained as appendices to the contribution agreements indicate that the majority of the activities identified in the funding requests for both organizations would receive the necessary funds. The delays, however, meant that some programs had to be cancelled and others started very late. The Dene Nation, for example, was not able to initiate its community-based environmental monitoring training program in time for the construction season. The sole activity report that was made available to me for the 1984-85 programs was a Metis Association report on the Planning Support and Monitoring Program. This report states that, the delay in receiving the funds (August 1984) and the move of the Metis Development Corporation Ltd.'s office from Fort Smith to Yellowknife, meant that the "Business Development Officer" position was not filled until February 1985. The program, therefore, was not in operation until early spring 1985.
c) Perceptions and/or Observations

In his concluding remarks of a February 1984 paper titled 'The Norman Wells Project' the Federal Coordinator states:

"e) Northerner's expectations of economic benefits were over perceived at the outset of the project. These expectations must now be tempered.

f) Continuing Dene Nation and Metis Association participation in the coordination process is vital to the success of the project." (Mar 1984:23)

In spite of the latter point, relations between the Dene Association, the Coordinating Office and D.I.A.N.D became increasingly strained during 1984. One of the Dene Nation office staff interviewed in February, 1985 commented that the Dene had never recognized the Federal Coordinator or the Coordination Office because they had not been involved in determining the structure and because their own suggested structure (see Appendix C) had been ignored. As problems with delays in receiving the impact funds continued the Dene frustration with the process increased. The Dene Nation May 22, 1984 draft press release concerning the 1984-85 funding requests had a definitely angry tone:

"The government's failure to follow through on their promises is an outrage. The Norman Wells Funding was a political pay off to help our people prepare for a project we did not want in the first place. They have got their pipeline and we have had nothing but bureaucratic hassles and excuses.

....The Department of Northern Affairs has given verbal support to the Dene monitoring efforts, but interim start-up funding promised last fall was not confirmed until February 1984 and has still not
been received. On-going funding for a two year program was requested last December, and there have been only delays since then.

....This was political money from the start, and we can only interpret the needless bureaucratic hassles as disguised political delay tactics. They are successfully hampering our efforts to be informed and involved in this pipeline, which we only accepted as a test case.

....This experience confirms that we were right in our original position on this project - that there should be no major development until the question of our aboriginal rights is settled. This is the only way in which we can guarantee some control and benefits for our people from projects of this size." (Dene Nation 1984b)

The editorial in the 'Native Press' June 1, 1984 edition made the following comments about Kakfwi's statements and the funding situation:

"The Dene Nation and the federal government are fighting over Norman Wells impact money, and it looks like a losing battle for the Dene. They are going to have to march to the federal funding drum, and Dene leaders are not happy about it....

Dene leaders are angry, because what they want for their people is some measure of CONTROL over what happens on their land. They should be angry, too, because instead of having control they have to write proposals just to monitor a project they were forced to accept....

The federal strategy is to put the Dene, Metis and everyone else into the position of having to react to project developments -- and by the time you can react, the project is finished....

Ottawa held on to the money, and Ottawa is slow, and by God, with Ottawa, your proposal better fit the federal guidelines." (Native Press 1984b:4)

The Dene stated in the May 1984 Project Coordinating Committee meeting that they were not being dealt with in good faith by D.I.A.N.D. The Federal Coordinator identified the Dene comments and their discussions with the media as 'political posturing' and assured the Committee members that the funds would be forthcoming although they would take time.
The June 1984 issue of 'Information Pipeline' a Norman Wells Project Coordination Office publication, contains an article that discussed the 1984-85 impact funding. It announces that 3.2 million additional funding was to be received by the Dene Nation and the Metis Association. The article describes the Dene's refusal to participate in the D.I.A.N.D. Socio-Economic Impact Study as a "retaliatory move" in response to their having to drop their plans to train workers to monitor environmental effects of the pipeline. The article states that the Minister of D.I.A.N.D. was urging the Dene to reconsider their stance and it further states:

"The funding issue has placed a strain on relations between the Dene and the federal government at a time when government agencies are exploring ways of involving communities in doing their own monitoring and a group formed at Dene initiative has begun to serve as watch-dog over environmental surveillance activities on the project." (Information Pipeline 1984a)

In July 1984, the Federal Coordinator attended a meeting of the Deh Cho Regional Council in Fort Liard. The Council put forth a number of concerns regarding the Norman Wells Project. In addition to the Project's hiring too many southerners, racist attitudes, too few jobs and too few contracts, the Council felt that the conditions that the Dene linked with the approval of the Project had not been met. Mr. Mar was quoted in the July 'Information Pipeline' as responding:

"The federal cabinet's decisions on how the project was to be managed did not meet all of the Dene Nation conditions. Basically the difference between what was asked for and what was approved is at the root of some of our problems." (Information Pipeline 1984b)
Mr. Mar perceives the difference to be between what was "asked for" and what was "approved". The native organizations perceive the difference to be between what was "promised" and what was "received".

In October, 1984 a seminar called *Project Assessment; Project Audit* was conducted in Banff, Alberta. A paper was prepared by the Norman Wells Project Coordinator's Office on the subject of the Norman Wells Project. A response paper was prepared by the Dene Nation Monitoring Program staff. These documents illustrate some differences in perception regarding the implementation of the Norman Wells Project. The government paper concludes:

"The hard work of government departments and agencies has resulted in the successful coordination of the project based on cooperation; however, a more formal and authoritative coordination role may be required for more complex large scale development projects. The experience obtained by northerners in project related training, employment and northern business opportunities should enable them to achieve increased benefits from future developments. Community level participation in the coordination process has been instrumental in the success of the project and should continue; however, the Dene Nation continue to use the project as a basis to press for control of land and resources which, along with their frustration over accessing funding for community programs, could jeopardize continued community level participation....Participants at the Beaufort Sea E.A.R.P. hearings generally agreed that the experience being gained by government and northerners could be used for dealing with future northern development projects. Industry expressed general support for the concept of a Coordination Office as a means to facilitate interacting with the government. The Dene Nation expressed major disappointment with their lack of power to control the Norman Wells Project and the range of benefits being derived by native people from the project. All participants recommended the need to streamline project planning and control mechanisms." (D.I.A.N.D. 1984:34)
The Dene response contains a strong emphasis on the Dene desire for certain control over development in the land they consider to be their own.

"The Dene leaders wanted to negotiate a settlement which would give their people a role in decision-making about major development, including participation in settling terms and conditions, and in monitoring. The Dene and Metis desire for participation in regulatory decision-making and monitoring is a legitimate one. (Dene Nation Monitoring Program 1984:3).

The Dene perception of the Norman Wells Project is stated:

"Thus, Norman Wells is seen by the Dene as a test-case. The lessons learned from this project are providing direction for Dene negotiations on involvement in regulatory proceedings and monitoring on future projects. In addition, the Dene leadership's assessment of this project will determine whether we are willing to support future large-scale development before our rights are fully entrenched in a negotiated aboriginal rights settlement." (Dene Nation, Monitoring Program 1984:3)

The paper criticizes the limited participation available to the intervenors in the NEB hearings, the lack of on-going mechanisms for public scrutiny of a project and, above all, the lack of involvement of native people after the public hearing stage. Of particular concern related to this last issue was the lack of native involvement in the establishment of a coordinating mechanism and in the establishment of terms of reference for the Project Co-ordinating Committee. The 'advisory' nature of the Community Advisory Committee was also criticized. A major omission, according to the Dene was a monitoring team to oversee the Project. The Dene do not see the Project Coordinating Committee as adequate for this role:
"the P.C.C. with its broad membership and infrequent meetings, serves only as a general information session. It is not the appropriate forum for native involvement, in a specific sense, on any of the issues outlined above." (Dene Nation Monitoring Program 1984:4)

The Dene paper states that the government paper downplays problems and highlights only positive aspects of the Norman Wells Project. It goes on to present the Dene views regarding a number of problem areas. The section of the paper that deals with the impact funding reveals a number of issues that concern the Dene. The first two in the next set of quotations refer to the total dollar amounts allocated to the various initiatives within the impact funding package. These amounts changed over time. The major discrepancy of concern to the Dene was the reduction in training funds from $10.5 million to $9.0 million. Mrs. Meldrum stated that this change was made by the Social Development Committee of Cabinet on July 31, 1981, the day after Mr. Munro made the approval announcement. She stated that later attempts by the Minister to gain back the $1.5 million were unsuccessful. The following quotations are from the Dene Nation paper given at the Banff seminar on Project Assessment; Project Audit:

"The allocations presented in D.I.A.N.D.'s case study are somewhat different. These changes were made internally, within D.I.A.N.D., without consulting the native groups. (Dene Nation Monitoring Program 1984:14)

"The Dene Nation's understanding was that decisions on allocation of the training funds would be made by native organizations, rather than by governments and that training monies were to be spent for programs already offered either by C.E.I.C. or the G.N.W.T. We also understood that the Community Advisory Committee would be set up and managed by the native organizations as part of an involvement in monitoring." (Dene Nation Monitoring Program 1984:14)
"It is certainly true that the accessing process has not ever been made clear, at least to the Dene Nation, and it is also true that the election of a new executive and staff turnover at the Dene National office did interfere with the continuity of accessing these monies. However, it is equally true that D.I.A.N.D. had its own problems in deciding on an administrative procedure, and in adequately conveying this information to fund recipients." (Dene Nation Monitoring Program 1984:15)

"A final assessment of the Project should include an evaluation of the political promises, bureaucratic procedures and reasons for the differing perceptions on issues to do with impact funding. Because the funding itself has become an issue." (Dene Nation Monitoring Program 1984:15)

The Dene paper concludes with a call for a thorough assessment of the problems, processes and mechanisms of the Norman Wells Project implementation process before it becomes accepted as a model for future northern developments.


a) General Events

The pipeline construction began again in January 1985. Work progressed rapidly. In March 1985 oil started to flow into the Norman Wells pipeline. The March Project Coordinating Committee meeting focused its attention on final assessment procedures for the project.

On May 16, 1985, the Norman Wells Project completion ceremony was held in Norman Wells. The Norman Wells Project Coordination Office will continue its operation and will focus its energies on a review of the overall Project. Funding for the Office will continue through the 1985-86 fiscal year.
b) Impact Funding Initiatives

Proposal for 1985/86/87 Funds - Community and Social Development and Planning Support and Monitoring - Dene Nation

In March of 1985, the Dene submitted a 'Proposal to Access Norman Wells Impact Funds 1985-1986-1987'. This proposal was submitted to D.I.A.N.D. to be used as the basis for the requests to Treasury Board for the remaining impact funds.

"The objectives of our proposed program and the related training are directed towards creating an awareness amongst the communities about the impacts and implications of development, assisting in establishing strong and healthy communities, and in turn, assisting them to creatively address future development proposals." (Dene Nation 1985:2)

The proposal focuses on four major components; management, monitoring, community and social development and training. The request for management funds resulted from the experiences of the previous three years with the funding administration. The delays, the timing and the sheer size of the programs led to planning and organizational difficulties for the Nation office. The proposal, therefore, identifies the need for a unit to manage the programs funded through the Norman Wells impact funds. The unit is to aid in the overall coordination and communication of program objectives and will be responsible for information flow and relations with the federal coordinator's office. Another major function of the management unit is to assist with the monitoring program's review of the Norman Wells Project.
The monitoring program's long term over-riding goal is to produce comprehensive documentation and evaluation of the Norman Wells Project from the perspective of the Dene communities. The program's activities will be carried out under four major headings: environmental issues; social/economic issues; economic development and an over-all review of the Project.

The community and social development funds are for community and regional fieldworkers and Nation office coordinating staff. The Nation office staff are to be assigned specific priority areas of interest to the communities (e.g. alcohol, correction and justice, training and education) and will be responsible for aiding community fieldworkers and their communities to cope with or solve problems. Increased funding is designated to go to communities which have work plans for addressing specific issues. These funds may be used for part time workers, to conduct feasibility studies, or to hire temporary staff to achieve these work plans. The regional fieldworkers are to concentrate on developing leadership skills and abilities within the communities. The proposal indicated that the community and social development program will conduct a community-based evaluation and assessment of its work. This evaluation will be integrated into the major final report on the Norman Wells project.

The training program's focus is on human resources planning. The work to be done is a combination of research, liaison and survey activities to identify needs and promote the development of training programs more adequately suited to native needs. In addition, a training package is to be
developed that can be accessed by the Community Development program training personnel. This training package includes four major programs - 1) Community Development Training, 2) Cultural Survival 3) Community Awareness and 4) Translations.

As of June 1985 this proposal was with the Treasury Board.

Community and Social Development Program Proposal 1985-86 - Metis Association

The major objective of the 1985/86 Community and Social Development program of the Metis Association is to allow for the full development of the Metis Locals to address their community issues. The proposal requests the continued funding of headquarters staff to provide coordination and assistance to the Executive and the Locals to monitor the community projects, prepare reports as required and maintain open lines of communication between the Government, Industry and the Locals. The Metis Locals will continue to sponsor community projects that meet objectives set in earlier years (1982/83 and 84/85)

i.e. to assist community residents

a) to develop means by which to cope with the impact of resource development; and

b) to prepare themselves to take advantage of beneficial opportunities.

The staff required to carry out the Metis program objectives are a Community Services Coordinator, a Liaison Officer and a Clerk/Steno. The
proposal identifies criteria for acceptable Local proposals, a rationale for the program, specific objectives and a detailed budget.

Planning Support and Monitoring Program Proposal 1985-86 - Metis Association

The proposal for 1985-86 Planning Support and Monitoring funds is identical to that submitted for the 1984-85 fiscal year. The program initially established in 1983 is to continue the same focus and staffing throughout 1985-86.

These proposals were submitted in April 1985 and by June 30, 1985 were still with Treasury Board.

c) Perceptions and Observations

The following quotations are taken from the May 1985 "Information Pipeline". They illustrate the varying perceptions of the relevant actors and others at the time of the completion of the Norman Wells Project.

From David Crombie, Minister of Indian Affairs and Northern Development:

"Norman Wells "is an example of how we can encourage regional economic development throughout this country based on the strengths of each region," he said. The project "has generated and will continue to generate substantive economic benefits," he added.

Norman Wells, he said, "has been a challenge for Esso, Interprovincial Pipe Line, for native people, for local communities, and for the government." The challenge was to prove that "significant economic benefits could be realized with the
cooperation and planning of major Northern resource development, with hands-on participation by both native and non-native northerners in training, jobs and business opportunities, with careful attention to the social needs of communities concerned, and with sensitivity to the environment," said Mr. Crombie.

The key goals and conditions have been largely met, said Mr. Crombie.

"The questions we must ask ourselves now are 'Did we do better than we've done before?','Did we learn things that will help us do better the next time?','Can we improve our participation in future ventures?''

On the Norman Wells project, said Mr. Crombie, the answers to all three questions are yes, but not an "unqualified yes".

The Minister admitted that there is room for improvement in such areas as training and upgrading for native people and assisting native business people in taking advantage of development.

"We've all learned from Norman Wells," Mr. Crombie said. He urged people to celebrate their success in building the pipeline, and "dedicate ourselves to doing it even better the next time." (Information Pipeline 1985)

From Richard Nerysoo, Northwest Territories government leader:

"The Norman Wells oilfield expansion and pipeline project has "set a standard or benchmark which we must build upon and go forward from," says Richard Nerysoo, the Northwest Territories government leader.

"This ceremony marks the completion of the construction phase of the project," Mr. Nerysoo told guests at the official opening May 16 in Norman Wells. "It is also a beginning -- the start of the production phase and, I suspect, of a new phase of innovative and imaginative ideas and proposals for further development throughout the Mackenzie Valley."

Before any further projects go ahead, however, a larger role must be developed for the territorial government, Mr. Nerysoo said. The Government of the NWT wants a share of resource revenues, funding for advance planning and development of community services, and a greater role and responsibility in future development.

He also praised the companies' diligence in employing Northern residents, but said employment had been an area of disappointment for community residents. "Although many short-term jobs were held by northerners during the construction period, generally, the high expectations for employment which were held by the valley communities have not been met."
Mr. Nerysoo said he was pleased with the results of the Norman Wells Project. "It was delivered in a socially- and environmentally- responsible manner with an effort to maximize economic benefits for northerners" and "in a spirit of cooperation between government, industry, and the communities."

"I am satisfied with the results achieved and optimistic about how such future developments will be managed in the Northwest Territories by all of us," Mr. Nerysoo concluded." (Information Pipeline 1985)

From the Dene Nation:

"The Dene Nation boycotted the Norman Wells Project completion ceremonies, saying that conditions set by the Dene leaders in agreeing to let the project go ahead had not been met.

"We do not have anything to celebrate," Dene Nation president Steve Kakfwi said from Fort Simpson, where the Dene leaders had gathered to talk about the completion of the Norman Wells oilfield expansion and pipeline project.

"We are not a negative people," Mr. Kakfwi said, "but we feel it is important that Canadians be made aware that all has not gone well on the first northern pipeline, in spite of what industry and government may be saying. If it can be said that they have succeeded in reaching their objectives, then it can also be said that they have succeeded at the expense of the Dene."

Mr. Kakfwi said that in 1981, Dene leaders agreed that the project could go ahead if impact funding was provided, ownership of the Norman Wells oil was settled with the federal government, the environment was protected, and a monitoring agency and management structure with Dene representation was established. These conditions were intended to help the Dene gain benefits and cushion negative effects.

"But now, on the eve of the official opening, these conditions have not been met," Mr. Kakfwi said.

"The federal government has not dealt with us in good faith. Negotiations about the ownership of the oil have barely begun. Protection of the environment has not been a priority and Dene concerns about the effects of pollution on fish downstream from the oil field have not been taken seriously. The monitoring and management roles for the Dene were never realized."

Indian and Northern Affairs Minister David Crombie, saying he respected the position taken by the Dene, flew from Norman Wells to Fort Simpson after the completion ceremonies to meet with the Dene leaders. He met with Metis leaders while he was in Norman Wells for the ceremony.
Mr. Crombie said that the Dene were raising issues which "are so far unresolved."

"Whatever good this project did, and it did considerable good, there are many things that need to be improved because there were issues raised, some of them dealt with but a lot of them not," said Mr. Crombie.

As well as business opportunities, training and education, and the progress of land claims, he said, "it raises questions concerning ownership; it raises questions concerning revenue-sharing; it raises questions with respect to the political development of the Northwest Territories, and the relationship of the Dene people to that." (Information Pipeline 1985)

D. SUMMARY

This chapter contains the documentation of the "story" of the two study funding initiatives. The documentation and the review process content analysis provide the information that will be measured against the criteria of program effectiveness developed and presented in Chapter II. Chapter IV contains the results of the analysis of the effectiveness of the two study initiatives as programs of socio-economic impact management.
CHAPTER IV

ANALYSIS-OF-EFFECTIVENESS-OFF-PROGRAMS-OF-SOCIO-ECONOMIC-IMPACT-MANAGEMENT

The purpose of Chapter IV is to assess the two study initiative programs against the criteria of socio-economic impact management program effectiveness that were outlined in Chapter II.

Criterion I

A socio-economic impact management strategy should reflect the socio-economic impact concerns expressed by participants during the review processes.

The findings of the analysis of the contents of the E.A.R.P. community meetings reveal that while a number of concerns are expressed relative to expected socio-economic impacts and to the need for community and social development, there are no expressions concerning native involvement in planning for the project, and there is only one expression related to monitoring in any specific sense of the concept.

One intervenor at the Yellowknife meetings suggests the necessity of a northern-based monitoring agency and another expresses strong concern regarding the potential for adverse socio-economic impacts on native communities. This latter intervenor recommends that mechanisms be established to allow local communities decision-making power over health and social issues. The intervention specifically recommends the allocation of
impact funds, a system for distribution of funds and the necessity for collaborative planning dialogue between the governments, local communities and the oil companies.

The E.A.R.P. technical meetings were more concerned with biophysical impacts expected to result from the pipeline project than with socio-economic impacts. When intervenors did discuss socio-economic impacts, these were mainly related to the deficiencies within the proponents' impact statement. There were expressions related to planning in these interventions but the concern was with government preparedness and capabilities for planning, not with native involvement in the processes. Where concerns are expressed with regard to native communities it is either to state that adverse impacts will fall heavily on these communities or that the communities should be consulted during the Project development process. The intervenor focus is on consultation and advice, however, not on involvement in decision-making or in equal participation of native groups.

The E.A.R.P. Report of the Environmental Assessment Panel emphasizes the consultation role for the native people. Proponents and governments are advised to consult with native communities on a number of actions. These actions are project-related, but again, involvement in decisions related to planning or implementation of project activities is not discussed.

Of the N.E.B. review process interventions that expressed concern about the project impacts, the Canadian Arctic Resources Committee refers to planning, monitoring and the need for managing impacts. The reference does
not, however, explicitly advocate the involvement of native communities in these processes.

The concerns expressed during the review processes associated with the Norman Wells Project are reflected in a general sense in the content of the two impact funding initiatives. The potential for increased social problems, the need for planning and monitoring and a recognition of the need to consult native people are expressed in various forms during the reviews.

There is reason to believe that while the review concerns are generally reflected in the two initiatives, the meetings that took place between the native associations and the Minister of D.I.A.N.D. were very influential in determining aspects of these impact funding programs. A member of the D.I.A.N.D. staff who was involved in the pre-approval events of the Norman Wells Project agreed that these meetings likely produced more material for the contents of the study initiatives than did the review processes. She called the meetings "political meetings, bargaining sessions." (Meldrum 1985). Also supporting this concept is the following item in the June 26, 1981 "Discussion Paper":

"29. The Dene and Metis have met with the Minister to discuss these conditions and the project. It would appear that there is potential for Dene and Metis cooperation in project planning providing the Federal Government supports northern native people in their efforts to realize economic opportunities from the project, mitigate potential adverse social impacts, play a meaningful role in the management of the project and provide for longer term economic opportunities once the construction of the project is complete. The Dene and Metis do not have the resources to pursue such measures prior to settlement of their land claims." (M.I.A.N.D. 1981:13)
This discussion suggests that there was a combination of determinants of the two impact funding programs under study— a) the general concerns expressed during the review processes and, b) issues discussed in informal meetings involving the Minister of D.I.A.N.D. and the native association leaders.

Therefore:

The impact funding initiatives do reflect the concerns expressed in the review processes of the Norman Wells Project. The programs thus satisfy Criterion I.

Criterion II

A socio-economic impact management program should be operational prior to the commencement of project construction in order to be able to deal with impacts as they occur.

The Norman Wells Project delay period was set as two years primarily because this was the time period identified as necessary by the native leaders. They stated during the E.A.R. Process and in meetings with the Minister that this would be a sufficient period to initiate programs and projects. In the Mid-Project Evaluation prepared by consultants for D.I.A.N.D., the following comments are made regarding time required for impact management activities:
"(The impact funding) objectives are best achieved if impact management activities...are fully operational by the time project construction gets underway. If they are not, opportunities will be lost and some adverse impacts will not be attended to; in most cases, it can safely be asserted that the funds will not be used as effectively as possible. Furthermore, a lead time of six months to one year is often required prior to construction to enable the necessary planning and organization development so that the impact management activities are in full operation by the start of construction." (InterGroup Consulting Economists Ltd. 1984:35)

In the case of the Norman Wells project, then, the two year delay was meant to provide the time necessary to have the socio-economic programs in operation prior to project start up. The delays in accessing the impact funds in the case of the two study initiatives, however, prevented the achievement of this objective. As documented earlier, the 1981-82 funding requests enabled a few months of preliminary survey work as it was received only a few days before the end of the fiscal year, and the 1982-83 funding was not received by the native organizations until March of 1983, three months after construction had commenced.

Therefore: The two study funding programs were not operational prior to project construction start up. They fail to satisfy Criterion #II.

Criterion III

The socio-economic impact management program should be planned in sufficient detail so that:

- measurable goals or targets are defined against which the progress of the program outcomes can be assessed;
regular reviews of program outcomes, according to the defined goals or targets, are conducted throughout the implementation period;

- revisions to the defined targets or goals may easily be made based on the reviews.

There have been no measurable goals or targets defined for the individual impact funding programs by D.I.A.N.D. or the Norman Wells Project Coordination Office. The objectives defined in the Evaluation Framework prepared for D.I.A.N.D. by InterGroup Consulting Economists Ltd., in 1983 are the only stated goals associated with the funding programs. The Evaluation Framework objectives are concerned with the Project Coordination Office's mandate for administering the funding package. The "ultimate objective" associated with the entire impact funding package is stated as follows:

"Ensure significant northern participation in opportunities resulting from the Norman Wells project and lessen possible adverse socio-economic effects of the project on northern residents and communities." (InterGroup Consulting Economists Ltd. 1983:5)

This "ultimate objective" encompasses two of the five "operational objectives" for the Norman Wells Project Component (i.e. the N.W.P.C.O. and Support Group):

"3. Provide support for and facilitate incremental impact management activities by government and local groups.

4. To provide support for and facilitate native social and economic development needs." (InterGroup Consulting Economists Ltd. 1983:30)
These two objectives are to be assessed according to an evaluation format proposed in the Evaluation Framework. The assessment of each initiative is to be carried out in essentially the same manner. The focus of the assessment is on the expenditure of the funds. The actual program results are to be determined from program reports that are submitted to the Project Coordinator by the agents (i.e. native organizations) as part of the Treasury Board accounting procedure. It appears to be assumed that targets will be determined for the programs by these agents, so that an evaluation can be made as to whether or not these targets were achieved. Such targets, however, are not a requirement of the Treasury Board authorization process. The contribution agreements contain only a general program description, and it is against this description of 'work' to be accomplished that reports are measured. There are, therefore, no stated measurable targets or goals identified by either the implementation or the administration agents.

The impact funding programs under study have not been planned in a way that produced measurable goals or targets for program outcomes. Program activities therefore, cannot be measured according to any predetermined expectations of performance. This lack of planned targets for program activities calls into question the actual purpose, if any, held by the government for the initiative programs.

The evaluations of the administration of the program package that were proposed in the Evaluation Framework were not approved by D.I.A.N.D. These reviews were to be conducted on an annual basis. (InterGroup Consulting Economists Ltd. 1983). Instead, a mid-project evaluation was conducted to
address a number of selected issues and an end-of-project review will be performed. These evaluations will not measure individual program outcomes according to any previously-defined targets or goals and they are not designed to be carried out regularly throughout implementation.

It has already been stated that the Treasury Board process is only concerned with progress reports addressing the general program description. These reports are only required part way through the agreement period and are used more for financial accountability than for concern about program outcomes. This form of review is similar, if not identical, to those used in federal job creation funding programs, e.g. Opportunities for Youth; Local Initiative Program; Canada Works etc. The government must rely on the integrity of the applicants, periodic project reports, the comments of service recipients, the periodic supervision of project officers and project financial receipts to approximate an evaluation of program performance. The review is regular only with regard to each particular agreement, it has no reference to previous agreements or to agreements of the future. It does not, therefore, continue throughout the entire Project implementation phase.

There are provisions within the contribution agreement process to allow for amendments. One native association spokesperson, however, felt that amending the contribution agreement made a lengthy process even lengthier. (Gorman 1985). The Metis Association representative stated that with no specific criteria, amending the contribution agreements was not difficult but was somewhat irrelevant. (Malcolm 1985). This criterion is concerned with revising the defined goals and targets of the impact funding programs. As
there were no defined goals, amending contribution agreements has no effect on this kind of revision.

The Norman Wells Project impact funding programs did not advance measurable goals or targets against which the progress of program outcomes could be measured. Without defined goals, progress could not be measured and rational revision of goals or program implementation was not possible. Therefore, the programs do not satisfy Criterion III.

Criterion-IV

The socio-economic impact management programs should unambiguously identify all the major parties-at-interest, and their specific administration, and/or implementation responsibilities in relation to the programs.

The Norman Wells Project approval press release clearly identifies D.I.A.N.D. and the Treasury Board as major parties-at-interest, associated with the two funding programs. This document also indicates that the native associations are parties-at-interest to the planning support and monitoring initiative. It was not until three months after the approval announcement however, that agreement was reached with the Minister of D.I.A.N.D., that the native associations were also to be parties-at-interest to the community and social development initiative.
The approval press release states that Treasury Board is responsible for final approval of program funds. D.I.A.N.D. is identified as responsible for administering and monitoring the entire funding package. The release does not specify any implementation responsibilities for the native associations. There is no discussion in the release of the specifics associated with the Treasury Board "approval" responsibility or the D.I.A.N.D. "administration" responsibility. Lines of authority are not spelled out nor are any procedures outlined.

The administration and implementation responsibilities of all major parties-at-interest became clear only through experience with the funding programs. "There was no rigid concept of what to do," is the comment of one D.I.A.N.D. staff member, describing the year after the approval announcement. Specific responsibilities associated with the impact programs were developed as funding applications were initiated. The Mid-Project Evaluation states that Treasury Board was not familiar with the impact funding programs which is a strong indication that even at this level, specific responsibilities were not initially clearly understood. (InterGroup Consulting Economists Ltd. 1984:44).

In addition to the lack of clarity regarding the designation to the native associations of the community and social development funds, there is no identification of roles or responsibilities with regard to program implementation. Experience identified the procedures required to access and account for funds. Contribution agreements identify the responsibilities associated with program activity outcomes. These responsibilities relate (a)
to the program descriptions which are taken from proposal wording and (b) to the financial accounting for the funding. The initial lack of identification of implementation responsibilities of the native associations, is a major concern discussed in the Mid-Project-Evaluation. The report comments on the complexity and confusion surrounding the Treasury Board authorization process:-

"Representatives of the Dene, Metis and G.N.W.T., all found the authorization process very confusing and were only able to describe a small portion of it. To them, the authorization process was a big black box that existed in the distant city of Ottawa." (InterGroup Consulting Economists Ltd., 1984:39).

The report also emphasizes the importance of advance procedure preparation for applicants if the Treasury Board authorization process is used in future projects for impact funding programs.

Experience with the initiatives has identified the major parties-at-interest and administration and implementation responsibilities. There does not appear, to date, to be a clear documented statement of the implementation responsibilities.

Therefore:-

In summary the major parties-at-interest were not clearly identified in initial impact funding program descriptions. Nor were specific administration and implementation responsibilities unambiguously identified
for these major actors. The two Norman Wells funding programs fail to satisfy Criterion IV.

Criterion-V

A socio-economic impact management strategy program should be judged by a majority of the parties-at-interest to be an effective process.

The parties-at-interest in the study impact programs are the Norman Wells Project Coordination Office/D.I.A.N.D., the Dene Nation and the Metis Association of the NWT. I spoke to Mr. John Mar of the N.W.P.C.O., Mrs. Sheila Meldrum of the Norman Wells Project Coordination and Support Group (D.I.A.N.D.), Ms. Margie Gorman, staff member of the Dene Nation and Mr. Michael Malcolm, Executive Director of the Metis Association of the NWT. I asked each of these individuals to tell me what were their views on the effectiveness of the two study initiatives as programs of socio-economic impact management. These telephone interviews were all conducted in August of 1985.

Mr. Mar stated that he considered the impact funding programs to be a "most effective tool." (Mar 1985b). He felt that a strong point in favour of using this tool was that it, "allowed the people themselves to become involved." (Mar 1985b). He stated that if this is not done, government is accused of deciding for citizens. Mr. Mar felt that the provision of funding to the Metis and the Dene allowed these organizations "to reinforce cultural programs and aspirations, to counterbalance the impact of the wage economy
and could address within the communities areas needing shoring up." (Mar 1985b). Mr. Mar recognized that there was not always agreement between the government and the native organizations concerning how the funding should be spent. He used the example of the training funds to illustrate this point and said that the "bureaucrats" saw these funds as designated for use in training for the wage economy, while the native people wished to train the young in how to live off the land. Mr. Mar stated that providing the funding is accounted for, impact funding allows for the people themselves to assess and take mitigative action toward impact management. He would see such a strategy being used again. Mr. Mar concluded with a comment that for future projects, it is likely that quite another regime will be involved. He indicated that with the probable settlement of land claims the native organizations will have the necessary "infrastructure to participate in management." (Mar 1985b).

Mrs. Meldrum did not view the impact funding programs in quite such a positive light. She stated that "impact funding is going to have to be done in a way that is not such a political football." (Meldrum 1985). Her concerns were that delivering the funds through political organizations was not the best vehicle and that this was not the most effective way to achieve community activity. Mrs. Meldrum felt that impact funding itself is of some value and that there have been benefits in the native organizations being "thrown out on their own" because they have "figured out how to cope" and because communities now know that "they did it." (Meldrum 1985). Mrs. Meldrum feels that the Norman Wells Project has served to lay a lot of fears to rest, that many of the fears and uncertainties expressed during the Berger
Inquiry and the Norman Wells E.A.R.P. are not the same concerns of the native people today. Mrs. Meldrum also indicated that future northern development projects would take place in a different context that might necessitate different socio-economic impact strategies.

"Impact funding has turned out to be one of the major impacts itself." (Gorman 1985). This comment was stressed by Margie Gorman of the Dene Nation staff. It is her feeling that the funding has allowed "expectations to be raised by communities and has created dependencies on the funds." (Gorman 1985). She also stated that the slow processes involved in accessing the funds has jeopardised the Dene Nation as an organization. The delays have made it difficult to plan and to properly deliver programs as so much time and energy was spent in chasing the funds. Ms. Gorman stated that, "the process is not an effective means of responding to impacts." (Meldrum 1985). She said that she felt that better coordination between government and native groups would improve the process. Ms. Gorman concluded by stressing again the negative impact of the processes associated with the impact funding programs and speculated that the financial difficulties caused by carrying over funds have the potential to "break the Dene Nation."

Mr. Malcolm of the Metis Association of the Northwest Territories, stated three major problems with the impact funding programs:

a) The funds were always received well after they were expected (four months after the start of the fiscal year in the least case)

b) there were no specific criteria, "the funding programs were very general, wide open" (Malcolm 1985) and
c) the funds could not be used as equity and were, therefore, not useful to the Metis in their ambitions for economic participation in the opportunities presented by the Norman Wells Project.

Mr. Malcolm stated that he did not consider the community fieldworker program to be successful, primarily because of the delays in funding. These delays have lead to a lack of program continuity and to serious difficulties for the Metis locals with their community banks. The planning support and development program was contracted to the Metis Development Corporation for implementation. The problems associated with delays in receiving funding were experienced with this program as well.

Mr. Malcolm concluded our discussion by stating that "from the beginning, the funding was a payoff that was just never allowed to be a pay off." He felt that if the funds were to have been an open pay off, the money should have been given to the native association in a lump sum and been available for use as equity. Mr. Malcolm did not believe that the impact funding programs were effective as programs of socio-economic impact management.

For varying reasons, then, the Norman Wells impact funding programs are judged to be ineffective as programs of socio-economic impact management by three of the four relevant actors interviewed. Delays in receipt of funds, inadequate criteria, political considerations and serious financial repercussions have contributed to these actors' perspectives. The Federal Project Coordinator's positive statements are considerably at variance with the comments and perceptions of other actors.
Therefore:

Of the four Norman Wells Project actors interviewed, a majority of three stated that the study impact programs were not effective as programs of socio-economic impact management. The programs fail to satisfy Criterion #V.

Criterion VI

The socio-economic impact management program should be administered using processes that facilitate rapid and purposive action toward achievement of program goals.

An effective impact management program should be capable of being rapidly initiated and of being able to effect direct action toward the achievement of program goals. This can happen when administration processes enable agencies to access all forms of required resources quickly and without obstruction. The design of an impact management program should designate appropriate administrative processes to facilitate these results.

The two Norman Wells Project impact funding programs were administered through use of a granting process similar to those used in federal job creation programs, e.g. Opportunities for Youth, Local Incentive Programs, Canada Works and, more recently, the Community Recovery Program. These granting programs are subject to the Treasury Board authorization process. (see Appendix D) The native associations submitted proposals for funding to D.I.A.N.D., D.I.A.N.D. Ottawa staff reworded the proposals to fit Treasury
Board requirements. These submissions then went through the Treasury Board authorization process. Whatever funds and program descriptions were approved formed the basis for the contribution agreements signed between the native associations and D.I.A.N.D.. Reports and accounts were submitted by the native associations through D.I.A.N.D. to Treasury Board.

The choice of a granting system as an administrative process for the Norman Wells Project impact funding programs illustrates a strong concern for accountability and an uncertainty regarding a clear program purpose on the part of the federal government. A granting system subject to Treasury Board approval does not facilitate rapid action toward goals. Such a system, in fact, often makes few, if any, requirements regarding specific goals or targets, but does make significant requirements regarding time spent in administrative procedures associated with applying, reporting and accounting for funds. This combination makes program outcomes difficult to assess and takes valuable time away from direct program activities. A grant application system is essentially "wait and see" rather than an encouragement to purposive action.

The Norman Wells funding programs under study were delayed in the first two years as a result of difficulties with the application process, even before problems encountered within the Treasury Board authorization process.

In the case of the Norman Wells impact funding programs, the Treasury Board authorization process was stated to be cumbersome and an obstacle to the programs' implementation. (InterGroup Consulting Economists Ltd.,
1984). The delays in receiving the funds caused serious problems for the Dene Nation head office and for the band councils and associations in the Valley communities, where much of the program activity was to take place. Plans for program activities had to conform to Treasury Board terms for acceptance. In the absence of either specified D.I.A.N.D. goals for the individual initiatives or joint D.I.A.N.D. - native association statements of specific goals for the relevant funding programs, there is considerable room for question and individual interpretation throughout the authorization process. This ambiguity contributes to delay and is an obstruction to action. Another serious obstruction to action is the installment system of payment. The delays throughout the funding process have meant that initial (already late) installments go immediately to pay off a deficit from programs carried out in months past. The constant 'catch-up' game results in months of no programming and serious problems with the bank for the native associations.

The granting system and the authorization process, therefore, created obstacles in the administration and implementation of the Norman Wells impact funding programs under study.

Therefore:-

The two study impact funding programs were not administered using processes that facilitated rapid and purposive action toward the achievement of program goals. The programs fail to satisfy Criterion VI.
Criterion VII

The socio-economic impact management program should define planning processes to meaningfully involve implementation agents.

When impact management programs are implemented by agents designated by government or industry, (e.g. in this case the native organizations) it is critically important that the agents be meaningfully involved in planning processes associated with the impact management program. Guidelines should be established regarding the degree of designated agency decision-making authority and control over resources. Meaningful involvement would require at least a partnership in the planning and implementation processes.

The following views of public participation are relevant to this discussion of agent involvement:

"...although it is not possible to delineate a single best approach to public participation, it is a vital part of the impact management process and its consideration is essential for any work describing impact management." (Halstead et al. 1984:51)

"In general, Arnstein maintains that unless the public is involved at a level that allows them to influence decisions, they are unlikely to accept and remain involved in a public participation process." (Halstead et al. 1984:56).

"Deli Priscoli (1979) has identified four points which an agency should consider in devising a public involvement strategy. First, realize that initial dissonance may arise. Second make decisions about how much sharing of decision-making can or should be done. Third, link the participation programs to the actual decision-making. Finally, take steps to insure that citizen involvement techniques are appropriate in time and money, to the type and level of decisions being made." (Halstead et al. 1984:59).
"In order to gain higher levels of participation and for citizens to affect project decisions, Howell et al. (1983) have identified three key attributes which a program must have to stimulate and sustain public participation: (1) a situation in which the costs of involvement are minimized; (2) maximization of the rewards associated with involvement; and (3) the establishment of a climate of trust among the citizens that perceived rewards will be delivered." (Halstead et al. 1984:56).

In the case of the Norman Wells impact funding programs there were no formal planning processes. The informal sessions that did take place between the Minister of D.I.A.N.D. and the native association leaders were apparently bargaining sessions to establish program contents. There were no goals established and no methods decided upon for implementation. The native leaders identified conditions and the Minister responded in the approval press release with the impact funding package. Subsequent to the approval, meetings were held to clarify designation and application procedures. There is no documented evidence, however, of formal planning sessions between D.I.A.N.D. and the native organizations regarding the implementation of the funding programs. There were no planning processes associated with the two study impact funding programs. There were, therefore, no guidelines established regarding the meaningful involvement of the native organizations. One of the reasons given for the inclusion of these particular initiatives in the special funding package was to involve the native groups in the programs associated with the Project. The absence therefore, of the planning processes and the lack of carefully thought out guidelines for involvement are serious omissions in the design of the impact management program.
Therefore:

In summary, there were no formal planning processes associated with the two Norman Wells impact funding programs under study, consequently no guidelines were established for the meaningful involvement of the native associations in planning for program implementation. The programs fail to satisfy Criterion VII.
CONCLUSION: DISCUSSION-AND-RECOMMENDATIONS

A. CONCLUSION

There were three major questions posed in the first chapter of this thesis. The questions to be answered through the research were:

1. Does the intent of each program initiative (as described in the approval announcement press release) reflect socio-economic concerns expressed during the Norman Wells Project review processes?

2. What were the administrative and implementation process events associated with the initiative programs?

3. How effective were the initiative programs as strategies of socio-economic impact management in the case of the Norman Wells Project?

An answer to the first question was determined through the content analysis findings documented in Chapter III. While the review concerns are reflected within the two impact funding programs, there is reason to believe that meetings between the Minister of D.I.A.N.D. and the native organization leaders were as influential, if not more so, in determining the contents of the two study initiatives. (see Chapter IV, Criterion I discussion).

The second question was answered through the documentation of the program implementation contained in Chapter III. This documentation also provided the information used in the analysis of effectiveness conducted in Chapter
IV. The analysis indicates that according to the proposed criteria, the two Norman Wells Project impact funding initiatives under study failed to satisfy all but one criterion. The programs were not in operation prior to project start-up to be able to deal with impacts as they occurred; they were not subject to measurable goals or targets; implementation responsibilities of major parties-at-interest were not initially clear in some cases and never clear in others; a majority of the parties-at-interest do not consider that the programs are effective as programs of socio-economic impact management; the administration processes hindered action toward program goals, and; there were no guidelines established for the involvement of native agencies nor were there planning processes associated with the implementation of the programs. The first criterion is satisfied because review concerns are reflected in the contents of the two initiatives in a general sense. The research findings, therefore, lead to the conclusion that the impact funding programs of this study, have not been effective as programs of socio-economic management.

B. DISCUSSION

There are two factors that have had a significant influence on the implementation and administration of the two study impact programs. The presence of these factors has contributed to the ineffectiveness of the initiatives as programs of socio-economic impact management. The first factor is the lack of a clearly stated purpose related to the management of
socio-economic impacts for the two initiative programs. The second factor is that of the perceptual differences that were never formally acknowledged or addressed throughout the implementation process.

a) Lack of Clearly Stated Purpose Related to the Management of Socio-Economic Impacts

The two initiatives under study as well as the other initiatives in package announced by Mr. Munro have been referred to in writing and verbally by all relevant actors as 'impact funding programs', 'impact funding initiatives' and/or 'impact money'. There is not, however, a statement of purpose associated with the initiatives that indicates any responsibility for managing impacts.

The contents of the two study initiatives, as documented in the Criterion I discussion in Chapter IV, were strongly influenced by the conditions presented to the Minister of D.I.A.N.O. by the native association leaders in the informal meetings that took place between the review processes and the Project approval announcement. The purpose of these meetings was to gain the cooperation of the native associations in the Project approval. The contents of the two initiatives respond to the native leaders' conditions and also have the purpose of gaining the cooperation of the native associations. This purpose is reflected in the statement of objectives for the overall impact funding package outlined in the Evaluation Framework and the Mid-Project Evaluation:
a) "Component Logic Diagram: Norman Wells Project Component," (part of the Evaluation Framework), sets forth the following as an ultimate objective associated with the overall impact funding package:

"To ensure continuing support by northern native groups for the Norman Wells Project." (InterGroup Consulting Economists Ltd. :5)

b) Component Logic Diagram: Norman Wells Project Component, (part of the Mid-Project Evaluation), identifies a change in the ultimate objective and adds an operational objective associated with the impact funding programs:

"To resolve northern concerns that might impede progress in the Norman Wells Project."

"Ensure that planning, construction and start up of the Norman Wells project are not unduly held up or disrupted." (InterGroup Consulting Economists Ltd. 1984:54)

The major Norman Wells Project Coordination Office purpose is to ensure the smooth completion of the Norman Wells Project, the two initiative programs are to aid in that purpose by responding to native concerns that might impede the progress toward that completion.

The two initiative programs have been assessed as being ineffective as programs of socio-economic impact management for the Norman Wells Project. This assessment was based on the failure of the programs to meet the basic requirements of an effective socio-economic impact management program. The lack of a clearly stated purpose relating to the management of socio-economic impacts allows for the failure to establish a planning process to define effective methods for implementing programs.
This study is concerned with the initiatives' effectiveness as strategies for socio-economic impact management. The initiatives are referred to as impact programs. If the initiatives are simply components within a benefit package, they should not be referred to as impact programs. If they are indeed impact programs, their purpose should be clearly stated and processes should be established to ensure that they achieve that purpose. In the case of the Norman Wells Project funding initiatives, there is considerable confusion as a result of this lack of clarification. This confusion has not only contributed to the ineffectiveness of the two study initiatives as programs of socio-economic impact management but to the feelings of frustration and mistrust evidenced in comments like those of Mr. Kakfwi in the draft May 22, 1984 press release quoted in Chapter III and like those of Mr. Erasmus in his presentation to the Beaufort Sea Environmental Assessment Panel hearings. These feelings will have an effect on the attitudes of native northerners toward participation in the planning of future development projects in the north.

b) **Perceptual Differences**

There were a number of perceptual differences held by key parties-at-interest in the Norman Wells Project that were never formally addressed and, therefore, never resolved. These differences affected the study impact funding programs and other aspects of the Project's implementation.
The major parties-at-interest held significantly different perceptions of the Mackenzie Valley and of the Norman Wells Project. Government and industry consider the Valley as a project construction site, a location for development. Many native residents consider the Valley as their long-term home and the land as a major means of survival. Government and industry have a short-term, financial investment based, construction-limited view of the Norman Wells Project. This view encourages a short-term project-specific concept of the potential impacts of development. Government and industry also view non-renewable resource development as the major economic development option for the North and, consequently concentrate on what they see as the potential benefits of such development. The native people of the Mackenzie Valley are not as concerned that non-renewable resource development should be the major economic development for the North. They view much of the land as their own and want some control on how it is used and on how economic benefits are derived from it. The Norman Wells Project was seen by these people as "development". They felt that through Berger's recommendation they would have ten years to prepare for this kind of development, regardless of the size of the project. Their concept of the Norman Wells Project is not so much concerned with project specific details as it is with its symbolism in being the first development project in the Valley. The native people view socio-economic impacts as project specific but more importantly to them, also as the broader and more comprehensive change to culture and lifestyle imposed by development on their more traditional society.
The Dene Nation and the Metis Association leaders considered the impact funds to be a government commitment to enable northern native people to prepare themselves for the difficulties involved in this cultural/lifestyle change. Some of the government representatives, particularly within the Treasury Board, persisted in viewing the impact funds as tied to identifiable impacts directly related to the Norman Wells Project. An example of the effect that this perceptual difference had on the Project is the lack of acceptance by the C.E.I.C. of the J.N.A.C. report recommendations. The report made recommendations covering broad, long-term human resource development training needs. The C.E.I.C. was interested in training needs that were directly related to wage earning employment associated with the Project.

This perceptual difference is still affecting the administration of the impact funds. The Dene Nation request for funds to cover 1985-87 was submitted to Ottawa in the belief that project impacts will continue to affect Mackenzie Valley residents after construction completion. The Dene also persist in the belief that the dollar allocations identified in the approval announcement are available to be spent in their total amount. The native associations feel that there are funds remaining, particularly as the first years' funding was delayed. Treasury Board has not approved funding beyond 1986 stating that the project construction is complete. (Gorman 1985). The long-term implications for the communities continue to be subjected to the short-term needs of the project construction.
The second major perceptual difference displayed by the key parties-at-interest is related to the two funding initiatives. At the time of the approval, the native associations placed a great deal of hope in the outcomes of the funding programs. The Minister's press release encouraged and supported that enthusiasm. The fact that the Minister himself participated in the meetings that established the funding program contents, encouraged the native perception that the funding would be a high government priority. The native associations considered the impact programs to be a designated reserve or "pot" of funds allocated for their specific use with no strings attached. (Gorman 1985). It became clear over the period of implementing the funds that areas of the federal government bureaucracy did not perceive the impact funding programs as a high priority in their overall responsibilities. For the Project Coordination Office, the top priority was the smooth facilitation of the Project's construction schedule. The Support Group has been more heavily involved in the administration of the funding package but operates out of Ottawa and is limited by the terms and guidelines of the Treasury Board authorization process. The Treasury Board appears to conceive of the Norman Wells impact funding package as one program in the many that it administers over the course of any year. The issue of the impact funding source and structure has never been resolved to the satisfaction of the native associations. They still believe that the package was meant to be a specific reserve of funds, all of which could be used for individual program initiatives. (Gorman 1985). Within the sources of information used for the Chapter III documentation, there is no clear government description of the actual source of the impact funds.
It is argued here that a major failing of the Norman Wells Project implementation process has been that, as with the concept of the "monitoring agency" and the December, 1981 "Position Paper" of the two native associations, these perceptual differences have never been formally acknowledged or resolved. This situation has contributed to a lack of full cooperation between key parties-at-interest in the implementation of the two study impact funding programs.

C. RECOMMENDATIONS

The analysis of the effectiveness of two of the Norman Wells Project impact funding initiatives contained in this thesis, suggests a number of ways to improve the design of socio-economic impact management programs or strategies. The following are recommendations that should be useful in planning for socio-economic impact management programs for future large-scale development projects.

1. Integrate the Planning for the Socio-Economic Impact Management Process with the Overall Development Project Planning Process

This recommendation draws from the Chapter II process model discussion and from considerations of the events of the Norman Wells Project implementation process. The Chapter II discussion prescribed the strengthening of the link between the socio-economic impact management process and the project development process. This strengthening should be accomplished through the development of a comprehensive planning process that would integrate the design for the implementation of the overall project and
all sub-processes. The sub-process of concern in this thesis is the socio-economic impact management process.

This project development planning process should begin as part of the initiation phase of the project development process. All actors potentially relevant to the project implementation would be involved at this point. The involvement of relevant actors would have to be a non-token partnership toward collective decision-making. This would require the design of operating procedures with veto conditions or voting privileges that ensured equitable participation for all planning group members.

In the case of the two impact programs under study, the lack of sufficient planning during the early stages of the Project process contributed to the ineffectiveness of the initiatives as programs of socio-economic impact management. The management of impacts was not seen as integral to the overall project development process and, therefore, did not receive the attention necessary for effective implementation.

2. **Emphasise-all-Components-of-the-Socio-Economic-Impact-Management-Process**

The second recommendation suggested by the thesis findings is that a stronger emphasis should be placed on all three components of the socio-economic impact management process. Assessment and review processes should be seen as fora for the identification and discussion/assessment of relevant impact information. The process focus should encourage the commitment of all actors to an effective evaluation of the potential impacts
of a given project. Changes to the E.A.R.P. like those suggested by Boothroyd and Rees (1984) would contribute to the development of such a commitment. The information produced through a review of this kind would be more useful in its contribution to the planning for the impact monitoring and the impact management program components of the overall socio-economic impact management process.

In the case of the two initiatives of this study, it has been suggested that informal meetings between the Minister of D.I.A.N.D. an the native association leaders played a significant role in the design of the initiative program contents. Integrating the elements of this "meeting" approach within a process that ensures an equitable and meaningful participation for all members and that has the management of impacts as its focus would, I argue, produce more effective programs of socio-economic impact management and would provide an incentive for the above-mentioned changes in the E.A.R.P.


The third recommendation relates specifically to the design of programs or strategies of socio-economic impact management. Effective programs of socio-economic impact management must be planned to ensure that all of the requirements outlined in the list of criteria developed in Chapter II are met in the implementation design. This recommendation starts from the promise that a need for managing socio-economic impacts has been clearly determined and that a number of such impacts have been identified and assessed. Once this purpose has been established, the planning process mentioned in
recommendations #1 and #2 must design strategies that will achieve this purpose. The design process must take into consideration all of the basic requirements of an effective program of socio-economic impact management. This would necessitate the isolation of socio-economic impact information from the review processes; defining a planning schedule that ensures that the program is in place prior to the commencement of project construction; determining measurable goals and targets to assess performance; defining regular review processes for an ongoing and final evaluation; identifying methods to monitor emerging impacts and to revise the program in order to accommodate these emerging impacts; unambiguously defining the specific administration and implementation responsibilities of the major actors involved in the program implementation; identifying methods to monitor the level of relevant actor satisfaction with the program implementation; designing processes that facilitate rapid and purposive action toward the achievement of program goals; ensuring that all relevant actors are equal partners in the planning processes to implement the program; designating the most appropriate agencies to implement the programs and; ensuring the provision of sufficient front-end and ongoing operating funds to implement the goals of the programs. A number of these requirements are met in the establishment of the planning process referred to in recommendations #1 and #2. Commitment to such a process and facilitating the equitable participation of all relevant actors in the process is an essential step in ensuring the design of effective socio-economic impact management programs.

In the case of the implementation of the Norman Wells Project impact funding programs under study, no clear purpose relating to the management of
socio-economic impacts was identified and no planning process was established to design for the implementation of the programs. This did not allow for the design of effective programs of socio-economic impact management.

D. FINAL COMMENT

"Both the general and the specific research needs of impact management are thus extensive, the field's growth as a pragmatic set of activities has proceeded using the available knowledge base. Unfortunately, that base is often incomplete and requires extensive supplementation. Although additional research is required on nearly every dimension of impact analysis these needs are particularly critical for impact management because decisions are being made and programs initiated in an ongoing basis. Immediate and continuing research is necessary to establish sounder bases for these decisions and programs." (Halstead et al. 1984:215)

The Norman Wells Project is seen by government, industry and native northerners as a test case of resource development in the north. Evaluations of the management of all aspects of the Project should be of major importance to the design and implementation of management policies and approaches for future projects. I hope this thesis will contribute to the overall Project assessment and will aid in the planning of future socio-economic impact management programs.
LIST OF REFERENCES


Dene Nation and Metis Association of the NWT "Planning Support and Monitoring Program Norman Wells Project." 1984(a)

Dene Nation and Metis Association of the NWT "Community and Social Development Program." 1984(b)


Department of Indian Affairs and Northern Development. "Norman Wells Pipeline Approved with Further One Year Delay," Press Release in Yellowknife, July 30, 1981


------- Norman Wells Project (Community Hearings) Volume II. Hearings held at Norman Wells, NWT August 12, 1980b.

------- Norman Wells Project (Community Hearings) Volume III. Hearings held at Fort Good Hope, NWT August 13, 1980c.

------- Norman Wells Project (Community Hearings) Volume VIII. Hearings held at Fort Providence, NWT August 19, 1980d.

------- Norman Wells Project (Community Hearings) Volume IX. Hearings held at Fort Simpson, NWT August 20, 1980e.

------- Norman Wells Project (Community Hearings) Volume X. Hearings held at Fort Simpson, NWT August 21, 1980f.

------- Norman Wells Project (Community Hearings) Volume XI. Hearings held at Fort Rae, NWT August 22, 1980g.

------- Norman Wells Project (Community Hearings) Volume XII. Hearings held at Yellowknife, NWT August 25, 1980h.


Information Pipeline. (Norman Wells Project Review) Yellowknife: Department of Indian Affairs and Northern Development, February, 1983.

-------- Yellowknife: Dept. of Indian Affairs and Northern Development. June, 1984.a

-------- Yellowknife: Dept. of Indian Affairs and Northern Development, July, 1984.b


Mid-Project Evaluation of Selected Issues Related to the Norman Wells Project Coordination Office. Winnipeg: Dept. of Indian Affairs and Northern Development, 1984.


Malcolm, M. "Metis Association of the NWT. Executive Director Yellowknife Telephone Interview - August 26, 1985


Native Press "Pipeline Support May Be Withdrawn!" June 1, 1984(a):1

Native Press "Editorial: Jeds Could Have Done More!" June 1, 1984(b):4

Nature Press August 14, 1981

News-North July 31, 1981

News-North "Claim Ottawa Reneged On Monitoring and Funding." May 25, 1984:1


APPENDIX A

REVIEW PROCESS CONTENT ANALYSIS QUOTATIONS
APPENDIX A

REVIEW PROCESS CONTENT ANALYSIS QUOTATIONS

1. Quotations from E.A.R.P. Community Hearing - Norman Wells Project

   Concerns - About - Impacts - on - Communities/Need - for - Community - and - Social Development.

   In the Fort Norman meeting, Father Denis expressed concern regarding the potential negative impacts of a construction camp close to town. (F.E.A.P.-NWP 1980a:46-57)

   Questions regarding the adequacy of present supplies of housing, medical services and recreation facilities were asked by Alan Sexsmith and Mr. Bob Barradell and Mr. Wayne Irvin, of the Norman Wells Settlement Council. (F.E.A.P.-NWP 1980b:168-193)

   Dave Proctor of Fort Good Hope expressed a concern regarding the potential of inflation and the boom-bust effect on local economies of development projects. (F.E.A.P.-NWP 1980c:249-251)

   In Fort Providence, Chief Joachim Bonnetrouge made the following comments regarding compensation for impacts on the native way of life that could be expected as a result of the Norman Wells Project:-

   "In areas of compensation, disrupting a small community like that, how would we be compensated? What things would be put in place to protect the way of life of the people, or to minimize the great degree of disruption that is bound to happen; the spin-off from actual construction will directly affect us - I don't know for sure." (F.E.A.P.-NWP 1980d:541)
"But what we have been arguing with the Government over is, we try to retain as much of our way of life as we can and in a lot of communities along the Mackenzie River the leaders are faced with trying to salvage whatever kind of traditional lifestyle we have got left. We are daily bombarded with the social problems that the bigger society weighs upon us and at the same time trying to establish and work our different ways that we can try to fit into some of the development that is happening in the North."
(F.E.A.P.-NWP 1980d:582)

In Fort Simpson, Jerry Antoine expressed the following concerns regarding development impacts and social development:

"There have been a lot of things that have been overlooked during these developments, like personal development of a person, social development, like how do they see themselves, how do they see themselves developing as an individual for themselves, their kids, their grandchildren, the people next door, their cousins, aunts et cetera, and because of these new developments, since these developments, their intention was not to fulfill these different social needs and things like that. They only look for a sort of mass development, major developments, industrial development and I think in that way, I think sort of they themselves might look at themselves as a human being because they are not handling those people as human beings.

Now, there are a few things that I would like to share with you and one of them is that as a human being we have the right to live. The second thing is that we have a right to make a decision and how we are going to live, not only by ourselves, but with other people." (F.E.A.P.-NWP 1980e:633)

Mr. Sibbeston of Fort Simpson refers to problems with alcohol abuse that often accompany the changes brought by development. Mr. Menicouche states that:

"...don't want no pipeline until we have developed ourselves as a person, as a people." (F.E.A.P.-NWP 1980e:855)
Agnes Lafferty expresses further concerns about alcohol:

"I don't believe we need a pipeline right at this time. We have got to have a few years because it is going to bring more disasters, it is going to ruin more of our young people, and I don't want to have to be helping out my children and my children's friends to sober up.

We want to teach them about living and their spiritual well-being first before they go crazy over money. Money isn't everything. To me that is not so.

...money will never die but we sure as hell will if we are going to drink ourselves to death with all this money that is coming in now and what will come in from the pipeline." (F.E.A.P.-NWP 1980f:856)

Ms. Lafferty adds that she expects to see a rise in the crime rate and alcohol related deaths as a result of development and the easier access to money. She states that there is an inability to handle money on the part of native people.

Betty Menicouche refers to alcohol abuse and to the problems expected as a result of the rapidity of the lifestyle transition:-

"It isn't only alcohol, it is the whole way of life, and if you get development or anything too quickly before you are given a chance of even learning to survive, learning to use the tools through education and that, if we don't do that, at the rate the people are dying, well, you can go ahead and build your pipeline because there would be no one to stop you.

...We are saying that we want the right to live, the right to say how we want to live. We are just saying give us a few more chances, give us seven more years that Berger recommended." (F.E.A.P.-NWP 1980f:868)
In Fort Rae, Georges Erasmus identified social problems such as alcoholism, family breakdown, divorces and suicide as the impacts of colonization and development.

"And this is because there is no assurance of a Dene future of any kind. We have no guarantees; we have no control." (F.E.A.P.-NWP 1980g:894)

"We elaborated very clearly to Berger what was needed definitely was a lot of time to develop a society in the North that encouraged human growth, encourage the complete development of the individual potential and the collective potential of the Dene and everyone else living in the North." (F.E.A.P.-NWP 1980g:907)


"7.1 Conclusions

Government Preparedness

3. A public information program needs to be planned and carried out expeditiously in order to inform residents and workers about the project and its potential impacts and mitigation measures, and also to obtain the advice of Mackenzie Valley residents -- for the purposes of planning and decision making..." (FEARO 1981:73)

"Economy and Society

Effects Upon Government Services

41. It is recommended that realistic government financing be assured and in place so that adequate programs exist for planning and servicing the project and needs of northern residents." (FEARO 1981:78)

"Social Concerns

47. It is recommended that detailed planning and location of main work camps and work-sites for the pipeline be determined in consultation with nearby community leaders." (FEARO 1981:79)
"50. It is recommended that all aspects of project development which affect Fort Simpson and Hay River be planned and carried out in close cooperation with local authorities in those communities.

51. It is recommended that the Proponents provide orientation programs for new local workers.... It is further recommended that community advisors, government departments and the Proponents collaborate in planning and monitoring these orientation programs." (FEARO 1981:79)

"The Role of Community Advice

59. It is recommended that liaison between the communities in the project area and the Proponents should be formally organized and should begin immediately. This community consultation is necessary, not only in preconstruction planning and the construction phases, but also in the first few years of operation of the project. The G.N.W.T. should participate in this consultation as well." (FEARO 1981:80)

In addition to actual recommendations, the Panel makes a few comments in its chapter on the 'Economy and Society' that relate, to some degree, to the study initiatives.

"Once approved, the project will link the welfare of the region more closely to resource development, and will impose on government a special responsibility to protect Valley residents from post-project depression and its economic and social consequences." (FEARO 1981:49)

"The Norman Wells pipeline project is an addition to the intrusion of the industrial and urban system that brings further change and raises social concerns in the native society. Planning and control of the Norman Wells project must work to assign more of the economic benefits and fewer of the social costs to these people." (FEARO 1981:58)

"The Panel urges that this project be planned in a way that economic opportunity is used for the betterment of all people who choose to participate in it. New tax revenues to government will afford the opportunity to strengthen social programs to deal with problems of the individuals and the communities in the area. This is the only way that benefits can be made to flow to residents in the project area." (FEARO 1981:59)
"Recognizing that some impacts will not be immediately apparent, the Panel has concluded that certain programs of monitoring and research should continue throughout the life of the project."
(FEARO 1981:66)
APPENDIX B

D.I.A.N.D. APPROVAL PRESS RELEASE EXCERPT
SPECIAL INITIATIVES BY THE FEDERAL GOVERNMENT, IPL, AND ESSO

Special Initiatives to be taken by the Federal Government relating to Pipeline Construction and Oilfield Expansion

- Training programs through expanded government and government-industry northern training initiatives under existing programs, with emphasis on the acquisition of skills by native people which will be of use in the North following the completion of the construction phase. Training opportunities for up to 250 native and other northerners for each of the four years of construction will be provided. Projected government incremental funding for training over five years: $10.5 million.

- Offer of a source of start-up capital for a local northern business so that the Dene and Metis can enter into joint business ventures with Esso Resources in order to provide a drilling rig, a service rig and support facilities. The funds would be made available through existing government programs.

- Enhanced existing government programs to address the community and social development needs of communities along the pipeline route so that they can respond to the project as the needs are identified. Native people will be directly involved in the design of these programs and in aspects of program delivery as they relate specifically to native communities. Projected government funding over five years: $4.25 million.

- Planning support to northern natives to enable them to take an active role in the planning and monitoring of the project and in the design and implementation of programs initiated in response to the project. Projected funding over five years: $1.25 million.

- Assistance to the Government of the Northwest Territories to augment public services in order to maintain current levels and standards of service in areas such as health, housing, education and municipal services. Projected government funding over four years: $3 million.
APPENDIX C

DECEMBER 7 POSITION PAPER
POSITION OF THE DENE NATION
ON THE
NORMAN WELLS PROJECT

PREPARED FOR
THE MINISTER OF INDIAN AFFAIRS
AND NORTHERN DEVELOPMENT

BY:
THE DENE NATION
METIS ASSOCIATION OF THE N.W.T
DECEMBER 7, 1981
BACKGROUND

When the Minister of Indian Affairs and Northern Development announced Cabinet's decision on the Norman Wells project leaders of the Dene Nation and Metis association accepted the decision and publicly supported the two year delay and the funding provided to alleviate impacts. It was stated at that time that final decisions regarding the project would be made by the leadership at a Leadership Meeting called for this purpose in November.

The Leadership Meeting, representing all Dene Communities and official representatives of the Metis Association of the N.W.T., was held in Yellowknife during the week of November 23rd to 27th. A follow-up meeting was held in Fort Simpson on December 2nd. All aspects of the project were examined in detail.

SUMMARY OF THE LEADERSHIP DECISION

1. The Dene never have, and never will, willingly consent to the use of any of our resources prior to the settlement of our Aboriginal Rights. This position has been consistently and emphatically stated by the Dene over a long period of time and it most certainly applies to the Norman Wells oilfield expansion and pipeline.

2. While the Dene accept the Cabinet's decision to grant the required certificate of Public Convenience and Necessity to Esso and IPL the Government of Canada must recognize that our acceptance is based on the following conditions:

   a) That ownership of the oil at Norman Wells as well as all lands used for extraction and transportation of the oil will be nego-
tiated and settled on a basis satisfactory to the Dene prior to
the end of the two year delay period. If an agreement on these
lands and resources is not concluded to the satisfaction of the
Dene prior to the end of the two year delay period we reserve the
right to use every means at our disposal to halt construction un-
till an agreement satisfactory to the Dene has been concluded.

In this respect we welcome the agreement concluded with the Minis-
ter of Indian Affairs and Northern Development on November 11, 1981
to negotiate the lands and resources required for the Norman Wells
oilfield and pipeline project as a separate and immediate item in
our Aboriginal Rights negotiations.

b) That the environment will not only be protected but, wherever pos-
sible, improved and that the Government of Canada assumes total
responsibility for ensuring this occurs.

c) That a monitoring Agency be established with Dene participation
and funding provided to the Dene by the Government of Canada and
that the Monitoring Agency be given the authority to enforce com-
pliance with rules, regulations and agreements required to mini-
mize impacts and protect or improve the environment.

d) That funding be provided based on the agreement concluded with the
Government of the Northwest Territories.

DENE-NATION/G.N.W.T. DECISIONS RESPECTING USE OF FUNDS

The joint position of the Dene Nation and the Government of the North-
west Territories on the use of the funds is as follows:

1. Education and Training:

   a) Total amount available is $10.5 million
b) $750,000 to be used during 1981/82 for needs assessment and planning which will be carried out by Dene Nation/G.N.W.T. Committee.

c) The Committee will determine the use of funds identified for training by the proponents.

d) The Dene Committee will have regional representation as well as representation from the Dene Nation office and the office of the Metis Association.

e) The Committee will prepare plans for using the balance of funds.

2. Joint Venture:

a) Up to $1.5 million is available

b) Studies have been carried out regarding the potential advantages and disadvantages of joint venture with Esso.

c) If the leadership decide to enter into the joint venture with Esso the $1.5 million is available almost immediately.

d) The Department of Indian Affairs stated, on November 19th, that if the leadership decides not to participate in the joint venture with Esso, the funds will be available for other uses provided these fall within established categories for Norman Wells funds (such as, education and training, community development, other types of economic development, etc.)

3. Community and Social Development:

a) Total amount available in $4.25 million, all of which is payable to the Dene Nation.
b) $250,000 to be paid immediately for use during 1981/82.

c) The balance will be spent during the period ending in 1986.

d) The above is conditional on no duplication with government programs.

e) A Committee composed of Dene Nation and G.N.W.T. representatives is to be established to co-ordinate activities.

4. Planning:

a) A total of $1.25 million is available.

b) $500,000 is to be paid out immediately for use during 1981/82.

c) The balance will be paid out in equal installments of $250,000 per year during the years 1982/83, 1983/84 and 1984/85.

5. G.N.W.T. Programs:

a) A total of $3 million is available.

b) This is to be entirely controlled by the G.N.W.T.

c) They need a total of close to $9 million for community infrastructure and health and social development. It would be to the advantage of the Dene to support the G.N.W.T.'s request for additional funds since most of these funds will be earmarked for spending in Dene communities.

6. Community Advisory Group:

a) A total of $1,000,000 is available.
b) This will be controlled by the Dene Nation for purposes of providing advice on what needs to be done to protect the communities interests during pipeline construction and expansion of the oil field.

c) $200,000 is available during 1981/82.

d) Funds will be used to finance committees of the communities as well as securing technical assistance where require for Dene participation in the Monitoring Agency.

MANAGEMENT STRUCTURE

The project management committee is a joint committee composed of senior representatives from the federal and territorial governments, Dene Nation and Metis Association, and community representatives. The 11 member committee would be based in Yellowknife with meetings in impacted communities held as required.

The specific functions of the committee include:

1. To provide co-ordinated direction on project management issues.

2. To resolve inter-jurisdiction conflicts.

The Chairperson of the project management committee would be the Project Co-ordinator appointed by the Minister of Indian and Northern Affairs. The office of the Project Co-ordinator will provide administrative support to the Committee. Membership and representation on the committee would be:

Federal Government: 2 members
Territorial Government: 3 members
Native Associations/Community Representatives: 5 members

The working level project management co-ordination would be through the office of the project co-ordinator. The project co-ordinator will act as a senior liaison officer between the various authorities and act as chairperson of the Project Management Committee. Based in Yellowknife, the project co-ordinator's office would have a small staff of three to five and may find it necessary to open a site office in Norman Wells itself.

The functions of the project co-ordinator's office include:

1. Ensuring the co-ordination of various parties by receiving and disseminating information.

2. Facilitate input into day-to-day project management issues. Input to major management issues would be obtained at the Project Management Committee level.

3. Act as a central information base.

The project co-ordinator's office would also be involved in administrative duties for the Project Management Committee, conducting research as required and providing information on specific topics.

The project co-ordinator would have no regulatory or enforcement powers; these powers would be left with the existing governmental authorities. The office would be open to all interested parties to receive their input on project management issues for furtherance to the Project Management Committee.
APPENDIX D

TREASURY BOARD AUTHORIZATION
3.1 DESCRIPTION OF AUTHORIZATION PROCESS

Authorization of Norman Wells impact funding requires review and approval by the Treasury Board, and where a non-federal government group is to be the recipient, a contribution agreement between DIAND and the recipient. Such requirements are mandatory for much of the funding including most special circumstance funding that is made available by the federal government to other levels of governments, public interest organizations and individuals. Treasury Board approvals and contribution agreements are intended to provide a centralized approach to the control of federal government expenditures and to ensure that the funds will be used as intended.

There is a standard set of 12 steps involving more than 25 actors that must be followed in obtaining Norman Wells impact funding. These are largely similar to those for other funding requests in the Department of Indian and Northern Affairs that require Treasury Board approval. The process is co-ordinated by a Senior Co-ordination Officer for the Norman Wells project who is based in DIAND's headquarters in Ottawa. Ottawa is the appropriate location because most of the groups involved in the authorization process are also based in Ottawa. This person receives requests for funding and then expedites these through the authorization process.

The authorization process is initiated with the submission to the Co-ordination Officer of an acceptable proposal by the group requesting the funds. An acceptable proposal is one that the Co-ordination Officer feels is consistent with the parameters of the impact funding programs and has a reasonably good chance of getting Treasury Board approval. Once a proposal is received, it goes through the following steps, which, if all goes reasonably well, would normally take about three months.

1. Co-ordination Officer refines the proposal into a form that is appropriate for review by the Financial Administration of DIAND for use in a Treasury Board submission (1 to 2 weeks).
2. The main proposal, excluding annexes and appendices, is translated into French (2 weeks).

3. Proposal is reviewed and approved by Financial Administration of DIAND (2 weeks — concurrent with step 2).

4. Co-ordination Officer transcribes proposal approved by Financial Administration into the format suitable for Treasury Board submission (2 to 3 days).

5. Obtain departmental signatures for forwarding to Treasury Board — about 20 signatures needed (1 week).

6. Provide Minister with overview of Treasury Board submission and obtain his signature (1 to 2 weeks).

7. Review of submission by Treasury Board analyst (3 weeks mandatory).

8. Schedule submission for Treasury Board agenda and hold Treasury Board meeting for approval (3 weeks).

9. Treasury Board minutes prepared and department making submission notified of Treasury Board decision (1 to 2 weeks).

10. Transfer of funds into DIAND Base (1 week).

11. Prepare and sign contribution agreement (1 week — concurrent with step 10).

12. Request and obtain first payment (1 week).

This system can be shortened considerably by agreement at the political level; however, this can only be done in exceptional cases.

The steps and time period noted in the preceding description assume that everything goes reasonably well. For this to occur, many conditions must be satisfied, including the following:

1. The person co-ordinating the process must have experience in working through the process and a good working relationship with the Financial Administration staff and Treasury Board analysts.

2. The Financial Administration staff and the Treasury Board analyst must be very familiar with the program for which funding is being requested.